



多想雲

MANY IDEA  
CLOUD

# Many Idea Cloud Holdings Limited

## 多想雲控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 6696

**GLOBAL OFFERING**

*Sole Sponsor*



**中泰國際**

ZHONGTAI INTERNATIONAL

*Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers*



**中泰國際**

ZHONGTAI INTERNATIONAL



**東浩證券**

SUNFUND



**CITIC SECURITIES**

# IMPORTANT

If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.



多想雲

MANY IDEA  
CLOUD

## Many Idea Cloud Holdings Limited 多想雲控股有限公司

(incorporated in the Cayman Islands with limited liability)

### GLOBAL OFFERING

Number of Offer Shares under the Global Offering	:	160,000,000 Shares (subject to the Over-allotment Option)
Number of Hong Kong Offer Shares	:	16,000,000 Shares (subject to adjustment)
Number of International Offer Shares	:	144,000,000 Shares (subject to adjustment and the Over-allotment Option)
Offer Price (subject to a Downward Offer Price Adjustment)	:	Not more than HK\$2.38 per Share and expected to be not less than HK\$1.88 per Share, plus brokerage of 1%, SFC transaction levy of 0.0027%, the Hong Kong Stock Exchange trading fee of 0.005% and the AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund) (If the Offer Price is set at 10% below the low-end of the indicative Offer Price range after making a Downward Offer Price Adjustment, the Offer Price will be HK\$1.70 per Offer Share)
Nominal value	:	HK\$0.0001 per Share
Stock code	:	6696

Sole Sponsor



中泰國際  
ZHONGTAI INTERNATIONAL

ZHONGTAI INTERNATIONAL CAPITAL LIMITED

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers



Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in "Documents Delivered to the Registrar of Companies and Available for Display" in Appendix V to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission, The Stock Exchange of Hong Kong Limited and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other documents referred to above.

The Offer Price is expected to be fixed by agreement between the Company and the Sole Representative (for itself and on behalf of the Underwriters) on the Price Determination Date, which is expected to be on or around Wednesday, 2 November 2022 (or such later date as may be agreed between the Company and the Sole Representative). The Offer Price will not be more than HK\$2.38 per Offer Share and is currently expected to be not less than HK\$1.88 per Offer Share (subject to a Downward Offer Price Adjustment) unless otherwise announced. Investors applying for the Hong Kong Offer Shares must pay, on application, the maximum Offer Price of HK\$2.38 per Offer Share, together with a brokerage of 1%, the SFC transaction levy of 0.0027%, the Hong Kong Stock Exchange trading fee of 0.005% and the AFRC transaction levy of 0.00015%, subject to refund if the Offer Price is less than HK\$2.38 per Offer Share. If the Sole Representative (for itself and on behalf of the Underwriters) and the Company are unable to reach an agreement on the Offer Price on or around Monday, 7 November 2022 (or such later date as may be agreed between the Company and the Sole Representative), the Global Offering will not proceed and will lapse.

The Sole Representative (for itself and on behalf of the Underwriters), with our consent, may reduce the indicative Offer Price range stated in this prospectus and/or reduce the number of Offer Shares being offered pursuant to the Global Offering at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, notices of the reduction of the indicative Offer Price range and/or the number of Offer Shares will be published on the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and our website at [www.manyidea.cloud](http://www.manyidea.cloud). Further details are set out in the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this prospectus, including the risk factors set out in the section headed "Risk Factors" in this prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement to subscribe for, and to procure subscribers for, the Hong Kong Offer Shares, are subject to termination by the Sole Representative (for itself and on behalf of the Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. Such grounds are set out in the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" in this prospectus. It is important that you refer to that section for further details.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered, sold, pledged or transferred within the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

28 October 2022

## IMPORTANT

### IMPORTANT NOTICE TO INVESTORS: FULLY ELECTRONIC APPLICATION PROCESS

**We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus or printed copies of any application form to the public in relation to the Hong Kong Public Offering.**

**This prospectus is available at the website of the Hong Kong Stock Exchange at <http://www.hkexnews.hk>, and our website at [www.manyidea.cloud](http://www.manyidea.cloud). If you require a printed copy of this prospectus, you may download and print from the website addresses above.**

To apply for the Hong Kong Offer Shares, you may:

- (1) apply online through the **White Form eIPO** service at [www.eipo.com.hk](http://www.eipo.com.hk);
- (2) apply through the **CCASS EIPO** service to electronically cause HKSCC Nominees to apply on your behalf, including by:
  - (i) instructing your **broker** or **custodian** who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf; or
  - (ii) (if you are an existing **CCASS Investor Participant**) giving **electronic application instructions** through the CCASS Internet System (<https://ip.ccass.com>) or through the CCASS Phone System by calling +852 2979 7888 (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). HKSCC can also input **electronic application instructions** for CCASS Investor Participants through HKSCC's Customer Service Centre at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong by completing an input request.

## IMPORTANT

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this prospectus are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

**If you are an intermediary, broker or agent, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses above.**

Please refer to the section headed “How to Apply for Hong Kong Offer Shares” in this prospectus for further details of the procedures through which you can apply for the Hong Kong Offer Shares electronically.

Your application must be for a minimum of 2,000 Hong Kong Offer Shares and in one of the numbers set out in the table below. You are required to pay the amount next to the number you select.

No. of Hong Kong Offer Shares applied for	Amount payable on application HK\$	No. of Hong Kong Offer Shares applied for	Amount payable on application HK\$	No. of Hong Kong Offer Shares applied for	Amount payable on application HK\$	No. of Hong Kong Offer Shares applied for	Amount payable on application HK\$
2,000	4,807.98	50,000	120,199.34	800,000	1,923,189.47	6,000,000	14,423,920.98
4,000	9,615.95	60,000	144,239.21	900,000	2,163,588.14	6,500,000	15,625,914.40
6,000	14,423.92	70,000	168,279.08	1,000,000	2,403,986.83	7,000,000	16,827,907.81
8,000	19,231.89	80,000	192,318.95	1,500,000	3,605,980.25	8,000,000 <sup>(1)</sup>	19,231,894.64
10,000	24,039.87	90,000	216,358.81	2,000,000	4,807,973.66		
12,000	28,847.84	100,000	240,398.69	2,500,000	6,009,967.08		
14,000	33,655.82	200,000	480,797.36	3,000,000	7,211,960.49		
16,000	38,463.79	300,000	721,196.05	3,500,000	8,413,953.91		
18,000	43,271.76	400,000	961,594.73	4,000,000	9,615,947.32		
20,000	48,079.74	500,000	1,201,993.42	4,500,000	10,817,940.74		
30,000	72,119.61	600,000	1,442,392.10	5,000,000	12,019,934.15		
40,000	96,159.47	700,000	1,682,790.78	5,500,000	13,221,927.57		

(1) Maximum number of Hong Kong Offer Shares you may apply for.

No application for any other number of the Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

## EXPECTED TIMETABLE<sup>(1)</sup>

*If there is any change in the following expected timetable of the Global Offering, we will issue an announcement in Hong Kong to be published on the websites of the Hong Kong Stock Exchange at <http://www.hkexnews.hk> and our Company at [www.manyidea.cloud](http://www.manyidea.cloud).*

Hong Kong Public Offering commences . . . . . 9:00 a.m. on  
Friday, 28 October 2022

Latest time for completing electronic applications  
under **White Form eIPO** service through  
the designated website at [www.eipo.com.hk](http://www.eipo.com.hk)<sup>(2)</sup> . . . . . 11:30 a.m. on  
Wednesday, 2 November 2022

Application lists open<sup>(3)</sup> . . . . . 11:45 a.m. on  
Wednesday, 2 November 2022

Latest time for (a) completing payment of  
**White Form eIPO** applications by effecting internet  
banking transfer(s) or PPS payment transfer(s) and  
(b) giving **electronic application instructions** to HKSCC<sup>(4)</sup> . . . . . 12:00 noon on  
Wednesday, 2 November 2022

If you are instructing your **broker** or **custodian** who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.

Application lists close<sup>(3)</sup> . . . . . 12:00 noon on  
Wednesday, 2 November 2022

Expected Price Determination Date<sup>(5)</sup> . . . . . Wednesday, 2 November 2022

Where applicable, announcement of  
the Offer Price being set below the low-end of  
the indicative Offer Price range after making  
a Downward Offer Price Adjustment  
(please refer to the section headed  
“Structure of the Global Offering — Pricing and  
Allocation” in this prospectus) on the website of  
the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and  
the Company’s website at [www.manyidea.cloud](http://www.manyidea.cloud)<sup>(6)</sup>  
on or before . . . . . Tuesday, 8 November 2022

Irrespective of whether a Downward Offer Price Adjustment is made, announcement of:

- the Offer Price;
- the level of indication of interest in the International Offering;
- the level of applications in the Hong Kong Public Offering; and
- the basis of allocation of the Hong Kong Offer Shares

to be published on our Company’s website  
at [www.manyidea.cloud](http://www.manyidea.cloud)<sup>(6)</sup> and the website of  
the Hong Kong Stock Exchange  
at [www.hkexnews.hk](http://www.hkexnews.hk) on or before . . . . . Tuesday, 8 November 2022

## EXPECTED TIMETABLE<sup>(1)</sup>

Results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels, including:

- in the announcement to be posted on our website at [www.manyidea.cloud](http://www.manyidea.cloud)<sup>(6)</sup> and the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk), respectively . . . . . Tuesday, 8 November 2022
  
- from the designated results of allocations website at [www.iporeresults.com.hk](http://www.iporeresults.com.hk) (alternatively: English <https://www.eipo.com.hk/en/Allotment>; Chinese <https://www.eipo.com.hk/zh-hk/Allotment>) with a "search by ID" function from . . . . . 8:00 a.m. on Tuesday, 8 November 2022 to 12:00 midnight on Monday, 14 November 2022
  
- from the allocation results telephone enquiry by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. on . . . . . Tuesday, 8 November 2022, Wednesday, 9 November 2022, Thursday, 10 November 2022 and Friday, 11 November 2022

Share certificates in respect of wholly or partially successful applications to be dispatched/collected or deposited into CCASS on or before<sup>(7), (9)</sup> . . . . . Tuesday, 8 November 2022

White Form e-Refund payment instructions/refund cheques in respect of wholly or partially successful applications if the final Offer Price is less than the maximum Offer Price per Offer Share initially paid on application (if applicable) or wholly or partially unsuccessful applications to be dispatched/collected on or before<sup>(8), (9)</sup> . . . . . Tuesday, 8 November 2022

Dealings in the Shares on the Hong Kong Stock Exchange expected to commence at 9:00 a.m. on . . . . . Wednesday, 9 November 2022

*Notes:*

- (1) Unless otherwise stated, all times and dates refer to Hong Kong local times and dates.
  
- (2) You will not be permitted to submit your application under the **White Form eIPO** service through the designated website at [www.eipo.com.hk](http://www.eipo.com.hk) after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

## EXPECTED TIMETABLE<sup>(1)</sup>

- (3) If there is a tropical cyclone warning signal number 8 or above, or Extreme Conditions, or a “black” rainstorm warning in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, 2 November 2022, the application lists will not open and will close on that day. For further details, please refer to the section headed “How to Apply for Hong Kong Offer Shares — 10. Effect of Bad Weather on the Opening and Closing of the Application Lists” in this prospectus.
- (4) Applicants who apply for Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC via CCASS should refer to the section headed “How to Apply for Hong Kong Offer Shares — 6. Applying through **CCASS EIPO** service — General” in this prospectus.
- (5) The Price Determination Date is expected to be on or about Wednesday, 2 November 2022, and in any event, not later than Monday, 7 November 2022. If, for any reason, the Offer Price is not agreed between the Sole Representative (for itself and on behalf of the Underwriters) and us on or before Monday, 7 November 2022, the Global Offering will not proceed and will lapse.
- (6) None of the websites or any of the information contained on the websites forms part of this prospectus.
- (7) Share certificates will only become valid at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional in all respects, and neither of the Underwriting Agreements has been terminated in accordance with its terms, prior to 8:00 a.m. on the Listing Date. Investors who trade Shares on the basis of publicly available allocation details prior to the receipt of share certificates or before the share certificates becoming valid evidence of title do so entirely at their own risk.
- (8) e-Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and in respect of wholly or partially successful applicants in the event that the final Offer Price is less than the price payable per Offer Share on application. Part of the applicant’s Hong Kong identity card number or passport number, or, if the application is made by joint applicants, part of the Hong Kong identity card number or passport number of the first-named applicant, provided by the applicant(s) may be printed on the refund cheque, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant’s Hong Kong identity card number or passport number before encashment of the refund cheque. Inaccurate completion of an applicant’s Hong Kong identity card number or passport number may invalidate or delay encashment of the refund cheque.
- (9) Applicants who have applied on **White Form eIPO** for 1,000,000 or more Hong Kong Offer Shares may collect any refund cheques (where applicable) and/or share certificates in person from our Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong from 9:00 a.m. to 1:00 p.m. on Tuesday, 8 November 2022 or such other date as notified by us as the date of dispatch/collection of share certificates/e-Refund payment instructions/refund cheques. Applicants being individuals who are eligible for personal collection may not authorise any other person to collect on their behalf. Individuals must produce evidence of identity acceptable to our Hong Kong Share Registrar at the time of collection.

Applicants who have applied for Hong Kong Offer Shares through **CCASS EIPO** service should refer to the section headed “How to Apply for Hong Kong Offer Shares — 14. Despatch/Collection of Share Certificates and Refund Monies — Personal Collection — (ii) If you apply through **CCASS EIPO** service” in this prospectus for details.

Applicants who have applied through the **White Form eIPO** service and paid their applications monies through single bank accounts may have refund monies (if any) dispatched to the bank account in the form of e-Refund payment instructions. Applicants who have applied through the **White Form eIPO** service and paid their application monies through multiple bank accounts may have refund monies (if any) dispatched to the address as specified in their application instructions in the form of refund cheques by ordinary post at their own risk.

Share certificates and/or refund cheques for applicants who have applied for less than 1,000,000 Hong Kong Offer Shares and any uncollected share certificates and/or refund cheques will be dispatched by ordinary post, at the applicants’ risk, to the addresses specified in the relevant applications.

## EXPECTED TIMETABLE<sup>(1)</sup>

Further information is set out in the sections headed “How to Apply for Hong Kong Offer Shares — 13. Refund of Application Monies” and “How to Apply for Hong Kong Offer Shares — 14. Despatch/Collection of Share Certificates and Refund Monies” in this prospectus.

The above expected timetable is a summary only. For further details of the structure of the Global Offering, including its conditions, and the procedures for applications for Hong Kong Offer Shares, please refer to the sections headed “Structure of the Global Offering” and “How to Apply for Hong Kong Offer Shares” in this prospectus, respectively.

If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such case, our Company will make an announcement as soon as practicable thereafter.



# CONTENTS

## IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

*This prospectus is issued by us solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of making, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom.*

*You should rely only on the information contained in this prospectus and the **GREEN** Application Form to make your investment decision. We have not authorised anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorised by us, the Sole Sponsor, the Sole Representative, the Joint Global Coordinators, the Joint Bookrunners and the Joint Lead Managers, the Underwriters, any of our or their respective directors, officers or representatives or any other person or party involved in the Global Offering.*

	<i>Page</i>
<b>Expected Timetable</b> .....	i
<b>Contents</b> .....	v
<b>Summary</b> .....	1
<b>Definitions</b> .....	24
<b>Glossary of Technical Terms</b> .....	40
<b>Forward-looking Statements</b> .....	41
<b>Risk Factors</b> .....	43
<b>Waiver from Strict Compliance with the Listing Rules</b> .....	79
<b>Information about this Prospectus and the Global Offering</b> .....	81
<b>Directors and Parties Involved in the Global Offering</b> .....	85
<b>Corporate Information</b> .....	92

# CONTENTS

	<i>Page</i>
<b>Industry Overview</b> .....	94
<b>Regulatory Overview</b> .....	111
<b>History, Reorganisation and Corporate Structure</b> .....	124
<b>Business</b> .....	172
<b>Relationship with Controlling Shareholders</b> .....	279
<b>Directors and Senior Management</b> .....	290
<b>Substantial Shareholders</b> .....	306
<b>Share Capital</b> .....	308
<b>Financial Information</b> .....	312
<b>Cornerstone Investor</b> .....	377
<b>Future Plans and Use of Proceeds</b> .....	382
<b>Underwriting</b> .....	399
<b>Structure of the Global Offering</b> .....	414
<b>How to Apply for Hong Kong Offer Shares</b> .....	427
<b>Appendix I — Accountants' Report</b> .....	I-1
<b>Appendix II — Unaudited Pro Forma Financial Information</b> .....	II-1
<b>Appendix III — Summary of the Constitution of Our Company and Cayman Companies Act</b> .....	III-1
<b>Appendix IV — Statutory and General Information</b> .....	IV-1
<b>Appendix V — Documents Delivered to the Registrar of Companies and Available for Display</b> .....	V-1

## SUMMARY

*This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety before you decide whether to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed “Risk Factors” in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares. Various expressions used in this summary are defined in the sections headed “Definitions” and “Glossary of Technical Terms” in this prospectus.*

### BUSINESS OVERVIEW

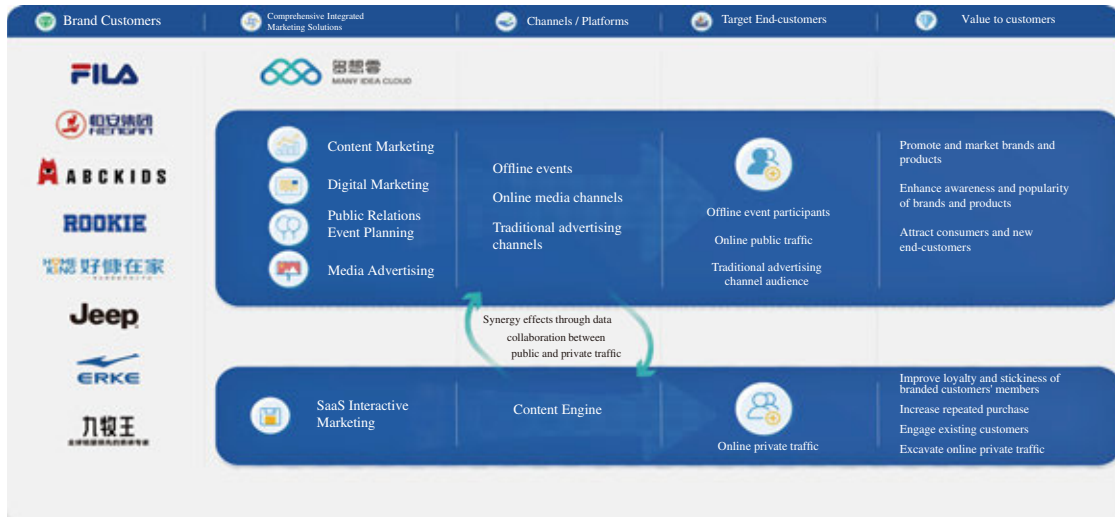
We provide integrated marketing solutions services in the PRC. Our integrated marketing solutions services consist of five types of marketing services, namely (i) content marketing; (ii) SaaS interactive marketing; (iii) digital marketing; (iv) public relations event planning; and (v) media advertising. Content marketing uses content as the carrier and integrates advertisements of brand customers into various events and videos to achieve marketing purposes. It can be divided into two broad categories: event content marketing and digital content marketing. Among event content marketing, sports content marketing relies on sports events such as marathons and street dancing for marketing purposes. We have been successful in the provision of event content marketing services.

In view of the increasing demand from our customers for maximising the value of its online private traffic through the use of quality and efficient SaaS marketing platform, we began to prepare for the expansion into the SaaS interactive marketing services in 2018. Through our continuous development efforts, we officially launched our SaaS interactive marketing platform, Content Engine (內容引擎), in June 2021.

Through our integrated marketing solutions services, we can provide our customers with both online and offline marketing solutions services to enhance the awareness and popularity of their brands and products. Our customers consist of a number of brands which we have developed a stable business relationship. During the Track Record Period, we were engaged by over 200 customers to provide our integrated marketing solutions services, with particular success in the fast moving consumer goods, footwear and apparel and real estate industries. Our customers’ brands include, among others, HongXing Erke\* (鴻星爾克), ABC Kids, Hanhoo\* (韓后), Liby\* (立白), FILA (斐樂), Gold Crown\* (金冠), 361 Degrees\* (361度), Guirenniao\* (貴人鳥), Panpan\* (盼盼), Hengan\* (恒安), Anjoy\* (安井), CR Land\* (華潤置地) and Vanke\* (萬科).

## SUMMARY

The diagram below generalises the business model of our integrated marketing solutions services:



### Our Services and Projects

#### *Content Marketing*

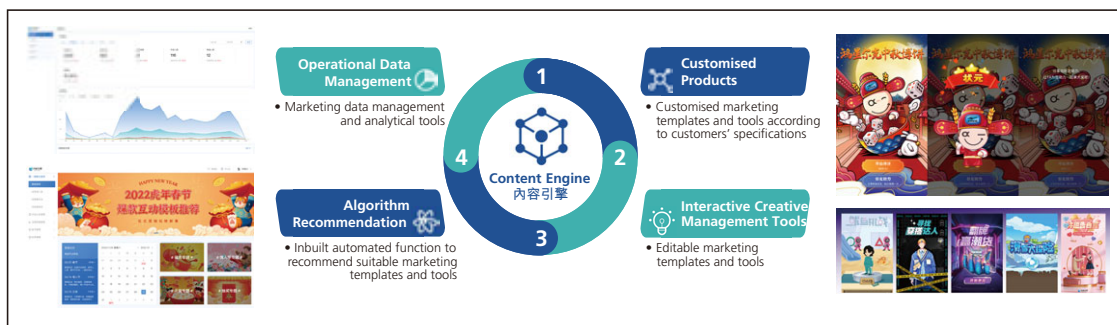
For our content marketing services, we offer sponsorship opportunities to our customers to integrate their brands into events and videos utilising our self owned or third party IP contents. Our content marketing projects include event content marketing projects and digital content marketing projects depending on the primary mode of core content carrier, with event content marketing projects relying primarily on offline events, such as concerts, marathons, fashion shows and other events, and digital content marketing projects relying primarily on play series, short video clips and mini games that are presented through online media. After we have located suitable IP contents either sourced from third parties or self-developed by us, we would prepare sponsorship proposals for pitching to our customers. If we have received sufficient indication of interest, we will proceed to obtain the marketing rights from the IP contents providers or to execute our self owned IP contents for marketing projects. During each period of the Track Record Period, we specifically focused on content marketing services which accounted for approximately 63.7%, 57.7%, 53.2% and 57.4% of our total revenue for 2019, 2020, 2021 and 4M2022, respectively.

We have capability on project planning, design, operation and execution. Through our content marketing services, we are able to facilitate our brand owner customers to enhance the effectiveness of their marketing campaigns and brand value. Some of our content marketing projects include ABC Kids Planet Race\* (小馬星球), Sofa Music Festivals\* (沙發音樂節) and Fashion Week Series\* (國際時尚週).

## SUMMARY

### *SaaS Interactive Marketing*

Our Content Engine platform provides a cloud-based marketing solutions platform for our customers. Our Content Engine integrates our core interactive content marketing strategies into digital standardised marketing templates where our customers can easily utilise for their own marketing needs. The platform aims to assist our customers to fully utilise and monetise their online private traffic through interactions with their end-customers, drive repurchase rates of their end-customers and realise growth of their business. Our customers can use our Content Engine platform to create customised online marketing contents, such as an interactive mini-game to share with existing end-customers, who can forward such contents to new end-customers. Our customers can also utilise the customised online marketing contents through screens installed in offline stores to interact with end-customers. All of these enable our customers to effectively obtain new end-customers. The diagram below generalises the major functions of our Content Engine platform:



### *Digital Marketing, Public Relations Event Planning and Media Advertising*

For our digital marketing and media advertising services, we provide tailor made marketing and advertising strategies to our customers utilising online media channels (such as NetEase (網易), Weibo (微博), WeChat (微信), Youku (優酷), KOLs, and other video and social media platforms) or traditional advertising channels (such as television and outdoor public advertising resources). For our public relations event planning services, we provide comprehensive marketing services including event planning, event promotion, event set up and hosting as well as overall event management. Some of the events we have successfully organised for our customers include product launches, festival celebrations, annual meetings, and trade fairs.

### **Our Customers**

Our customers consist of brand owners, with a majority from the fast moving consumer goods industry as well as the footwear and apparel and real estate industries in the PRC. We have also established strong business relationships with leading sports brand companies. Six of the top ten sports brand companies in the PRC in terms of revenue in 2021 were our customers. During the Track Record Period, we were engaged by over 200 customers for our integrated marketing solutions services. During each period of the Track Record Period, we derived approximately 26.6%, 27.1%, 37.3% and 46.9% of our

## SUMMARY

revenue from our five largest customers, respectively. For the same periods, we derived approximately 6.3%, 6.3%, 8.9% and 11.4% of our revenue from our largest customer, respectively.

### **Our Pricing Strategy**

We adopt different pricing strategies based on the different types of marketing services we provide. For content marketing, digital marketing, public relations event planning and media advertising services, we primarily adopt the cost-plus pricing model. We generally take into account various factors, such as expected number of participants, popularity and cost of the IP contents, location of the events and form and duration of online advertisements for content marketing, and factors such as scope of works, scale, duration and complexity of the project, cost of labour and media resources and venue for other types of marketing services to determine the price for each project. For our SaaS interactive marketing services, we offer our customers various subscription plans, who may select the suitable plan based on their marketing needs and pay relevant annual subscription fees to us. They may also subscribe to additional services on our Content Engine platform or request for customised products for additional fees. We price our SaaS interactive marketing services with reference to market prices on similar services.

### **Our Suppliers**

Our suppliers include, among others, IP contents providers (i.e., IP owners or IP operators), venue providers, performance providers, contractors to set up the venue, production and material suppliers, online and traditional media channels or channel agents, equipment rental companies, cloud server providers, software developers, H5 developers, and data intelligence solution providers. For each year/period during the Track Record Period, approximately 37.0%, 41.3%, 49.1% and 61.8% of our total purchases were attributable to our five largest suppliers, respectively. For the same periods, approximately 8.0%, 9.8%, 15.5% and 14.9% of our total purchases were attributable to our largest supplier, respectively.

### **Seasonality**

Our Group's business is subject to seasonality. We typically record higher sales and gain momentum in the fourth quarter, as some of the major holidays (e.g., Mid-autumn Festival, National Day, Christmas) and high-profile digital platform sale campaigns (e.g., Double 11 Singles' Day, Double Twelve) fall in the fourth quarter and brand owners focus their promotion and marketing on sale campaigns associated with these holidays. This is in line with the industry norm on seasonality.

## **COMPETITIVE LANDSCAPE**

The marketing services industry is a highly competitive and fragmented industry in China with over one million marketing services companies and the top five marketing services companies only accounted for approximately 16.9% of the total revenue of marketing services market in China in 2021. Our Group, with revenue of approximately RMB0.4 billion in 2021, accounted for approximately 0.03% of the market share of China's marketing services market in 2021.

## SUMMARY

### COMPETITIVE STRENGTHS

We believe the following competitive advantages have contributed to our success:

- we have capability of project planning, design, operation and execution, through which we support our customers to enhance the effectiveness of their marketing campaigns and brand value;
- we have capability to integrate “online” and “offline” media channel resources, through which we are able to provide one-stop integrated marketing solutions services to our customers, thereby enhancing the publicity effect of marketing activities for our customers;
- we have stable cooperation with a large number of customers and majority of our customers come from fast moving consumer goods, footwear and apparel and real estate industries;
- we have capability to operate and commercialise IP contents through our integrated marketing solutions services;
- we are empowered by our SaaS interactive marketing platform, Content Engine, which provides integrated “Content + Technology” platform services with editable marketing templates and tools that can be tailored to different needs of our customers; and
- we have a visionary and experienced management team.

### BUSINESS STRATEGIES

We plan to further increase our market share and enhance our overall competitiveness in providing integrated marketing solutions services by implementing the following strategies:

- expand our SaaS interactive marketing business by enhancing the diversity and quality of our interactive creative management tools, investing in the data analytic abilities, and upgrading the platform with new functions;
- scale up our IP contents portfolio and expand our integrated marketing solutions businesses;
- expand our geographical coverage and enlarge our customer base; and
- expand through pursuit of investment and acquisition opportunities.

## SUMMARY

### RISK FACTORS

There are certain risks involved in our operations and in connection with the Listing. Many of these risks are beyond our control and can be categorised into (i) risks relating to our business and our industry; (ii) risks relating to doing business in the PRC; (iii) risks relating to the Global Offering and our Shares; and (iv) risks relating to information contained in this prospectus. Some of the major risk factors include the following:

- our business may continue to be adversely affected by the COVID-19 pandemic or any occurrence of natural disasters;
- we rely on our customers from the fast moving consumer goods, footwear and apparel and real estate industries and any adverse development in these industries may impact us;
- if we fail to successfully obtain marketing rights to projects with IP contents or acquire IP contents suiting our customers' and their end-customers' preferences or to successfully commercialise these IP contents, we may lose our customers;
- our SaaS interactive marketing services have a short operating history, which makes it difficult to evaluate the prospects and future growth in our SaaS interactive marketing services;
- our gross profit margins have fluctuated during the Track Record Period and may continue to fluctuate in the future;
- our business depends on our ability to maintain our existing business with our customers and our ability to attract new customers and we generally do not enter into long term business contracts with our customers;
- our Group operates in a competitive industry and if we fail to compete effectively, our business may be adversely affected; and
- our intangible assets at amortised cost may become impaired and the amortisation cost incurred could materially and adversely affect our results of operation and financial condition.



## SUMMARY

### KEY OPERATIONAL AND FINANCIAL DATA

The following table sets out certain key items of the consolidated financial information of our Group during the Track Record Period as extracted from, and should be read in conjunction with, the Accountants' Report in Appendix I to this prospectus.

#### Summary of Selected Information of Consolidated Statements of Profit or Loss and Other Comprehensive Income

	For the year ended 31 December			For the four months ended	
	2019	2020	2021	30 April	
	RMB'000	RMB'000	RMB'000	2021	2022
				RMB'000	RMB'000
				<i>(unaudited)</i>	
Revenue	391,038	308,377	353,300	70,219	143,807
Cost of revenue	(261,691)	(233,735)	(238,764)	(50,002)	(97,714)
<b>Gross profit</b>	<b>129,347</b>	<b>74,642</b>	<b>114,536</b>	<b>20,217</b>	<b>46,093</b>
Selling and marketing expenses	(16,022)	(15,389)	(9,969)	(3,215)	(2,260)
Administrative expenses	(16,869)	(16,313)	(16,913)	(4,676)	(6,152)
Provision for impairment loss on trade receivables, net	(3,667)	(11,480)	(5,758)	(7,839)	(8,774)
Listing expenses	-	-	(8,655)	-	(5,404)
<b>Profit before income tax expense</b>	<b>98,595</b>	<b>36,944</b>	<b>79,368</b>	<b>6,040</b>	<b>19,089</b>
Income tax expense	(18,571)	(5,160)	(14,627)	(1,299)	(3,829)
<b>Profit for the year/period</b>	<b><u>80,024</u></b>	<b><u>31,784</u></b>	<b><u>64,741</u></b>	<b><u>4,741</u></b>	<b><u>15,260</u></b>
<b>Profit for the year/period attributable to:</b>					
Owners of the Company	66,516	26,419	56,146	4,228	15,271
Non-controlling interests	13,508	5,365	8,595	513	(11)
	<b><u>80,024</u></b>	<b><u>31,784</u></b>	<b><u>64,741</u></b>	<b><u>4,741</u></b>	<b><u>15,260</u></b>

## SUMMARY

### *Non-HKFRS financial measures*

Our Directors consider that the presentation of our Group's adjusted net profit under non-HKFRS financial measures by eliminating the impact of Listing expenses can better reflect our operational performance during the Track Record Period. Furthermore, our management also uses the non-HKFRS financial measures to assess our operating performance and formulate business plans. We believe that the non-HKFRS financial measures provide useful information to the investors. Notwithstanding the above, the presentation of the non-HKFRS financial measures is not intended to be considered in isolation or as substitute for the financial information prepared and presented in accordance with HKFRS. The non-HKFRS financial measures have limitations as analytical tools and our non-HKFRS financial measures may differ from the non-HKFRS financial measures used by other companies, and therefore the comparability of such information may be limited. The following table sets forth a reconciliation of our Group's adjusted net profit under non-HKFRS financial measures for the periods indicated to that prepared in accordance with HKFRS measures:

	For the year ended December 31			For the four months ended	
	2019	2020	2021	30 April 2021	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
<b>Reconciliation</b>					
Profit for the year/period	80,024	31,784	64,741	4,741	15,260
Add: Listing expenses	<u>–</u>	<u>–</u>	<u>8,655</u>	<u>–</u>	<u>5,404</u>
<b>Adjusted profit for the year/period (non-HKFRS measures)</b>	<u><u>80,024</u></u>	<u><u>31,784</u></u>	<u><u>73,396</u></u>	<u><u>4,741</u></u>	<u><u>20,664</u></u>

## SUMMARY

### *Revenue, Gross Profit and Gross Profit Margin*

During the Track Record period, we generated our revenue from the provision of integrated marketing solutions services which include (i) content marketing services; (ii) SaaS interactive marketing services; (iii) digital marketing services; (iv) public relations event planning services; and (v) media advertising services. The following table sets forth the breakdown of revenue we generated, by amount and as a percentage to our total revenue, by business segment for the periods indicated:

	For the year ended 31 December											
	2019				2020				2021			
	Revenue		Gross profit margin		Revenue		Gross profit margin		Revenue		Gross profit margin	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Content marketing	249,175	63.7	86,999	34.9	178,051	57.7	42,755	24.0	188,164	53.2	64,657	34.4
SaaS interactive marketing	-	-	-	-	-	-	-	-	10,581	3.0	3,998	37.8
Digital marketing	62,972	16.1	22,107	35.1	73,123	23.7	15,810	21.6	87,950	24.9	28,417	32.3
Public relations event planning	42,870	11.0	15,725	36.7	39,428	12.8	13,798	35.0	25,434	7.2	10,453	41.1
Media advertising	36,021	9.2	4,516	12.5	17,775	5.8	2,279	12.8	41,171	11.7	7,011	17.0
<b>Total</b>	<b>391,038</b>	<b>100.0</b>	<b>129,347</b>	<b>33.1</b>	<b>308,377</b>	<b>100.0</b>	<b>74,642</b>	<b>24.2</b>	<b>353,300</b>	<b>100.0</b>	<b>114,536</b>	<b>32.4</b>

	For the four months ended 30 April							
	2021				2022			
	Revenue		Gross profit margin		Revenue		Gross profit margin	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Content marketing	20,372	29.0	6,934	34.0	82,546	57.4	27,003	32.7
SaaS interactive marketing	-	-	-	-	8,951	6.2	3,768	42.1
Digital marketing	30,757	43.8	9,725	31.6	24,959	17.4	10,370	41.5
Public relations event planning	5,866	8.4	1,729	29.5	3,858	2.7	1,768	45.8
Media advertising	13,224	18.8	1,829	13.8	23,493	16.3	3,184	13.6
<b>Total</b>	<b>70,219</b>	<b>100.0</b>	<b>20,217</b>	<b>28.8</b>	<b>143,807</b>	<b>100.0</b>	<b>46,093</b>	<b>32.1</b>

## SUMMARY

The following table sets out a breakdown of revenue in terms of amount and as a percentage to our total revenue by our customers' industry during the Track Record Period:

Customer's industry	For the year ended 31 December						For the four months ended 30 April													
	2019		2020		2021		2022		2022		2022									
	Percentage to total revenue	Number of contracts	Percentage to total revenue	Number of contracts	Percentage to total revenue	Number of contracts	Percentage to total revenue	Number of contracts	Percentage to total revenue	Number of contracts	Percentage to total revenue	Number of contracts								
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%								
Fast moving consumer goods	170,807	43.7	54,900	32.1	144,519	46.9	94	39,103	27.1	178,579	50.5	148	58,053	32.5	68,433	47.6	94	20,880	30.5	
Footwear and apparel	107,810	27.6	42	38,314	35.5	68,785	22.3	39	18,179	26.4	107,992	30.6	106	35,841	33.2	43,160	30.0	60	14,829	34.4
Real estate	43,423	11.1	38	13,775	31.7	41,750	13.5	35	11,530	27.6	48,866	13.8	56	14,332	29.3	17,307	12.0	29	5,649	32.6
Others <sup>(1)</sup>	68,998	17.6	91	22,359	32.4	53,323	17.3	73	5,830	10.9	17,863	5.1	59	6,310	35.3	14,907	10.4	17	4,735	31.8
<b>Total</b>	<b>391,038</b>	<b>100.0</b>	<b>247</b>	<b>129,348</b>	<b>33.1</b>	<b>308,377</b>	<b>100.0</b>	<b>241</b>	<b>74,642</b>	<b>24.2</b>	<b>353,300</b>	<b>100.0</b>	<b>369</b>	<b>114,536</b>	<b>32.4</b>	<b>143,807</b>	<b>100.0</b>	<b>200</b>	<b>46,093</b>	<b>32.1</b>

Note:

- (1) Includes but not limited to food & beverages, hotel, finance, medical, travel services, software, e-commerce, sports, tobacco and alcohol trade, insurance, and public institutions.

## SUMMARY

Our revenue declined in 2020 from 2019 primarily due to the decrease in revenue in our content marketing services, public relations event planning services and media advertising services as a result of the various COVID-19 related social distancing restrictions which significantly impacted our services through offline or traditional advertising channels. Our business, including content marketing and media advertising projects, started to recuperate in 2021 as our customers increased their spending in promotion and marketing of their brands and products. Our total revenue increased by RMB73.6 million, or approximately 104.8%, from RMB70.2 million for 4M2021 to RMB143.8 million for 4M2022, primarily due to increase in revenue from our content marketing services, media advertising services and SaaS interactive marketing services which was partially offset by a decrease in revenue from our digital marketing services and public relations event planning services. Increase in revenue from our content marketing services was primarily due to the completion of five event content marketing projects in 4M2022 where we were able to secure a total of 19 sponsorships, as compared to one completed event content marketing project in 4M2021 where we only secured three sponsorships. Increase in revenue from our media advertising services was primarily due to (i) substantial increase in bus advertisements from RMB1.1 million in 4M2021 to RMB4.5 million in 4M2022; (ii) engagement of our previous customer who previously engaged us for public relations event planning services to promote their brand through our media advertising services in 4M2022; and (iii) increase in spending by some of our existing customers on our media advertising services. We also recorded revenue of RMB9.0 million from our SaaS interactive marketing services for 4M2022 which was officially launched in June 2021.

Our gross profit for 2019, 2020, 2021, 4M2021 and 4M2022 was RMB129.3 million, RMB74.6 million, RMB114.5 million, RMB20.2 million and RMB46.1 million, respectively, and our gross profit margin for the same periods was approximately 33.1%, 24.2%, 32.4%, 28.8% and 32.1%, respectively. For 2020, we had a lower gross profit margin compared to 2019 and 2021 primarily due to COVID-19 which resulted in a number of projects being delayed or cancelled or reduction of sponsorship from customers for certain projects hosted offline after we had incurred certain costs in those projects. The contract amount of the projects that were delayed or cancelled in 2020 was approximately RMB110.2 million. We recorded a higher gross profit margin for 4M2022 compared to 4M2021 primarily due to (i) the launch of our SaaS interactive marketing services in June 2021 which had a relatively high gross profit margin; (ii) increase in gross profit margin from digital marketing services as a result of our cessation of cooperation arrangement with NetEase (網易) in Shangrao city which was less profitable than our cooperation arrangement with NetEase (網易) in Xiamen city and Zhangzhou city; and (iii) increase in gross profit margin from public relations event planning services as we were engaged in five projects in which we were mainly responsible for design, planning and preparation of promotional materials without the need to incur high production and material costs.

Please refer to the sections headed “Financial Information — Key Components of Our Consolidated Statements of Profit or Loss” and “Financial Information — Review of Historical Results of Operations” in this prospectus for further information.

## SUMMARY

### *Cost of Revenue*

Our cost of revenue primarily consists of media advertising resources costs, production costs, equipment rental costs, staff costs, SaaS cost, and other costs. The following table sets forth the principal components of our cost of revenue, in terms of amount and as a percentage to our total revenue, for the periods indicated:

	For the year ended 31 December						For the four months ended 30 April			
	2019		2020		2021		2021		2022	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
<b>Cost of Revenue</b>										
Media advertising resources costs										
– Marketing rights from IP contents providers	75,471	19.3	45,026	14.6	56,012	15.8	2,825	4.0	21,509	14.9
– Cost of obtaining advertising resources from advertising media channels or their agents	99,948	25.6	105,543	34.2	121,834	34.5	34,030	48.5	49,425	34.4
– Other media technical and execution costs	2,208	0.6	7,026	2.3	5,993	1.7	1,995	2.8	4,543	3.2
<b>Sub-total</b>	<b>177,627</b>	<b>45.4</b>	<b>157,595</b>	<b>51.1</b>	<b>183,840</b>	<b>52.0</b>	<b>38,850</b>	<b>55.3</b>	<b>75,477</b>	<b>52.5</b>
Production costs	66,850	17.1	58,281	18.9	35,235	10.0	9,043	12.9	13,851	9.6
Equipment rental costs	4,458	1.1	5,705	1.9	2,909	0.8	160	0.2	253	0.2
Staff costs	5,855	1.5	6,310	2.0	5,117	1.4	1,254	1.8	2,436	1.7
SaaS costs	–	–	–	–	6,241	1.8	–	–	5,032	3.5
Other costs	6,901	1.8	5,844	1.9	5,422	1.5	695	1.0	665	0.4
<b>Total</b>	<b>261,691</b>	<b>66.9</b>	<b>233,735</b>	<b>75.8</b>	<b>238,764</b>	<b>67.6</b>	<b>50,002</b>	<b>71.2</b>	<b>97,714</b>	<b>67.9</b>

Our media advertising resources costs accounted for the largest and majority portion of our cost of revenue, representing approximately 45.4%, 51.1%, 52.0%, 55.3% and 52.5% of our total revenue for 2019, 2020, 2021, 4M2021 and 4M2022, respectively. Overall speaking, the fluctuations in cost of revenue generally follows the fluctuations in revenue and also depends on the changes in types and mix of marketing services we provided in the respective periods.

## SUMMARY

### *Profit for the Year/Period*

For 2019, 2020, 2021, 4M2021 and 4M2022, our profit for the year/period amounted to RMB80.0 million, RMB31.8 million, RMB64.7 million, RMB4.7 million and RMB15.3 million, respectively. Our profit for the year decreased by RMB48.2 million, or approximately 60.3%, from RMB80.0 million in 2019 to RMB31.8 million in 2020 primarily attributable to (i) the decrease in revenue by RMB82.7 million, or approximately 21.1%, from RMB391.0 million in 2019 to RMB308.4 million in 2020, primarily due to the decrease in revenue in our content marketing services, public relations event planning services and media advertising services as a result of the various COVID-19 restrictions which significantly impacted on our services through offline or traditional advertising channels; and (ii) the increase in our net provision for impairment loss on trade receivables from RMB3.7 million in 2019 to RMB11.5 million in 2020, primarily due to the impact of COVID-19 on our customers' business and operations which prolonged the time for their payments to us and we made a larger amount of provision for impairment loss on our trade receivables in view of the impact of COVID-19.

Our profit for the year increased by RMB33.0 million, or approximately 103.7%, from RMB31.8 million in 2020 to RMB64.7 million in 2021 primarily attributable to (i) the increase in revenue in our content marketing services and digital marketing services due to the increase in customers' spending through digital and online content with COVID-19 further accelerated digitalisation process in the PRC, together with the recuperation of revenue in media advertising services primarily due to general ease of local restrictions and people started to visit public venues; (ii) the launch of our SaaS interactive marketing services in June 2021; (iii) the decrease in our selling and marketing expenses from RMB15.4 million in 2020 to RMB10.0 million in 2021, primarily due to an internal staff restructuring with an aim to reduce the number of junior sales and marketing staff to improve human resources efficiency; and (iv) the decrease in our net provision for impairment loss on trade receivables from RMB11.5 million in 2020 to RMB5.8 million in 2021, primarily due to less delay in settlement of our trade receivables in 2021 given our greater credit control to recover trade receivables from our customers.

Our profit for the period increased by RMB10.6 million, or approximately 221.9%, from RMB4.7 million for 4M2021 to RMB15.3 million for 4M2022 primarily attributable to the increase in revenue by RMB73.6 million, or approximately 104.8%, from RMB70.2 million for 4M2021 to RMB143.8 million for 4M2022, primarily due to (i) increase in revenue from our content marketing services with five event content marketing projects completed in 4M2022 instead of one project completed in 4M2021; (ii) increase in revenue from our media advertising services with the increase in our bus advertisements and increase in spending by existing customers; and (iii) the launch of our SaaS interactive marketing services in June 2021.

## SUMMARY

### Summary of Selected Information of Consolidated Statements of Financial Position

	As at 31 December			As at
	2019	2020	2021	30 April
	RMB'000	RMB'000	RMB'000	2022 RMB'000
Current assets	290,067	352,162	247,762	359,709
Current liabilities	(56,795)	(89,958)	(192,212)	(224,105)
Net current assets	233,272	262,204	55,550	135,604
Non-current assets	21,301	19,313	101,977	107,604
Non-current liabilities	(11,018)	(5,665)	(4,018)	(3,689)
Net assets	243,555	275,852	153,509	239,519
Non-controlling interests	41,112	46,564	1,537	1,526

#### *Net Current Assets*

Our net current assets increased by RMB28.9 million as at 31 December 2020 mainly due to (i) increase in our trade receivables by RMB16.5 million primarily due to slower collection of trade receivables caused by the impact of COVID-19; (ii) increase in our prepayments, deposits and other receivables by RMB12.2 million primarily due to delay of certain of our projects where we had already prepaid our suppliers; and (iii) increase in our short-term bank deposits by RMB105.0 million, partially offset by (i) decrease in our cash and cash equivalents by RMB71.7 million; and (ii) increase in our borrowing by RMB44.8 million. Our net current assets decreased by RMB206.6 million as at 31 December 2021 mainly due to (i) decrease in our short-term bank deposits by RMB130.0 million; and (ii) increase in amount due to related parties by RMB130.3 million as at 31 December 2021, representing payment of the consideration in connection with the Business Transfer. Our net current assets increased by RMB80.0 million as at 30 April 2022 mainly attributable to (i) increase in trade receivable of RMB59.4 million primarily as a result of prolonged time of payments by our customers due to impact of COVID-19 and our increase in revenue; (ii) increase in amounts due from related parties of RMB26.6 million as a result of continued payments made by a number of our customers to Xiamen Many Idea for the integrated marketing solutions services we provided to them despite the Business Transfer having been completed; (iii) increase in cash and cash equivalents of approximately RMB36.5 million; and (iv) decrease in amounts due to related parties as a result of settlement of the remaining consideration in relation to the Business Transfer, partially offset by (i) increase in borrowings of RMB78.5 million; and (ii) increase in convertible bonds of RMB47.2 million which represents the liability portion and conversion option derivative of the issuance of Pre-HKIPO Loans in January 2022. For further details, please refer to the section headed “Financial Information — Selected Balance Sheet Items” in this prospectus.

#### *Net Assets*

Our net assets increased by RMB32.3 million as at 31 December 2020 mainly due to our profit for the year for 2020 of RMB31.8 million. Our net assets decreased by RMB122.3 million as at 31 December 2021 mainly due to the deemed distribution of profits of



## SUMMARY

RMB370.0 million, which represented the deemed distributions to the controlling shareholders and the non-controlling interests in relation to the Business Transfer, partially offset by (i) our profit for the year for 2021 of RMB64.7 million; (ii) fair value changes of RMB27.3 million of our equity investments in Xiamen Vision and Xiamen Advertising; and (iii) capital contribution of RMB153.0 million by Mr. Liu to our Group and the contribution of RMB1.0 million by Mr. Liu and Ms. Qu to Xiamen Instant Interactive. Our net assets increased by RMB86.0 million as at 30 April 2022 mainly due to (i) our profit for the period for 4M2022 of RMB15.3 million; and (ii) proceeds from the pre-IPO investment from Asia One in its subscription of our Shares.

### Summary of Selected Information of Consolidated Statements of Cash Flows

	For the year ended 31 December			For the four months ended 30 April	
	2019	2020	2021	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				<i>(unaudited)</i>	
Operating profits before working capital changes	107,360	52,684	96,335	16,366	38,635
Changes in working capital	(38,234)	(42,660)	(46,014)	(135,111)	(52,808)
Tax paid	(9,983)	(16,996)	(2,315)	(23)	(22)
<b>Net cash generated from/(used in) operating activities</b>	<b>59,143</b>	<b>(6,972)</b>	<b>48,006</b>	<b>(118,768)</b>	<b>(14,195)</b>
Net cash generated from/(used in) investing activities	47,559	(104,713)	5,884	131,365	(8,558)
Net cash (used in)/generated from financing activities	(3,651)	39,996	(48,946)	40,582	59,336
Cash and cash equivalents at beginning of year/period	13,881	116,932	45,243	45,243	50,187
Cash and cash equivalents at end of year/period	116,932	45,243	50,187	98,422	86,637

For 4M2022, our net cash used in operating activities was RMB14.2 million, which primarily reflected the profit before income tax expense of RMB19.1 million; adjusted by non-cash items mainly consisting of net provision for impairment loss recognised on trade receivables of RMB8.8 million, and working capital changes mainly consisting of increase in trade receivables of RMB95.7 million mainly due to the impact of COVID-19 on some of our customers' business and operations which prolonged the time for their payments to us and our increase in revenue along with our growth in business in 4M2022, which was partially offset by (i) decrease in prepayments, deposits and other receivables of RMB11.8 million as a result of a number of projects from 2021 were completed during 4M2022; and (ii) increase in trade payables of RMB39.7 million as a result of increase in our revenue.

For 4M2021, our net cash used in operating activities was RMB118.8 million, which primarily reflected the profit before income tax expense of RMB6.0 million; adjusted by non-cash items mainly consisting of net provision for impairment loss recognised on trade receivables of RMB7.8 million, and working capital changes mainly consisting of (i) increase in trade receivables of RMB53.9 million mainly due to slower collection of trade receivables caused by the impact of COVID-19; and (ii) increase in prepayments, deposits and other receivables of RMB76.1 million mainly due to prepayments to our suppliers as a result of the postponement of projects leading to delay in recognition of expenses of suppliers and prepayments to suppliers in connection with our SaaS interactive marketing services platform.

## SUMMARY

For 2021, our net cash generated from operating activities was RMB48.0 million, which primarily reflected the profit before income tax expense of RMB79.4 million; mainly adjusted by (i) amortisation of intangible assets of approximately RMB6.5 million primarily as a result of our acquisition of copyright licences of IPs and software for SaaS interactive marketing services in 2021; and (ii) increase in contract liabilities of approximately RMB12.2 million, and was offset by increase in prepayments, deposits and other receivables of RMB31.4 million, all of which were in line with the growth of our business operation in 2021.

For 2020, our net cash used in operating activities was RMB7.0 million, which primarily reflected the profit before income tax expense of RMB36.9 million; and non-cash items mainly adjusted by net provision for impairment loss recognised on trade receivables of RMB11.5 million as a result of the COVID-19 impact on our customers leading to greater provision on trade receivables; and offset by the negative adjustments for (i) increase in trade receivables of RMB28.0 million as a result of slower collection of trade receivables caused by the impact of COVID-19; (ii) increase in prepayments, deposits and other receivables of RMB10.3 million as a result of delay of certain of our projects where we had already prepaid our suppliers; and (iii) income tax paid of RMB17.0 million.

For 2019, our net cash generated from operating activities was RMB59.1 million, primarily reflected the profit before income tax expense of RMB98.6 million; negatively adjusted by (i) increase in trade receivables of RMB31.1 million as a result of growth of our business coupled with increase in our revenue; (ii) increase in prepayments, deposits and other receivables of RMB6.5 million as a result of growth of our business coupled with increase in our revenue; and (iii) income tax paid of RMB10.0 million.

### Key financial ratios

The following table sets forth some of our key financial ratios as at the dates or for the periods indicated. For their analysis, please refer to the section headed “Financial Information — Key Financial Ratios” in this prospectus.

	As at or for the year ended 31 December			As at or for the four months ended
	2019	2020	2021	30 April 2022
Return on equity <sup>(1)</sup>	32.9%	11.5%	36.9%	N/A
Return on total assets <sup>(2)</sup>	21.4%	7.1%	16.1%	N/A
Current ratio(times) <sup>(3)</sup>	5.1	3.9	1.3	1.6
Gearing ratio <sup>(4)</sup>	6.9%	19.6%	47.5%	35.7%
Interest coverage ratio (times) <sup>(5)</sup>	174.6	34.9	22.0	5.5
Gross profit margin <sup>(6)</sup>	33.1%	24.2%	32.4%	32.1%
Net profit margin <sup>(7)</sup>	20.5%	10.3%	18.3%	10.6%

## SUMMARY

### Notes:

- (1) For 2019, 2020 and 2021, return on equity ratio is calculated by dividing profit for the year attributable to the owners of our Company by total equity attributable to the owners of our Company as at each relevant year end and multiplying 100%. Return on equity ratio for the four months ended 30 April 2022 is not meaningful as it is not comparable to the annual figures.
- (2) For 2019, 2020 and 2021, return on total assets ratio is calculated by dividing profit for the year attributable to the owners of our Company by total assets as at each relevant year end and multiplying 100%. Return on total assets ratio for the four months ended 30 April 2022 is not meaningful as it is not comparable to the annual figures.
- (3) Current ratio is total current assets divided by total current liabilities as at each relevant year/period end.
- (4) Gearing ratio is total debt divided by total capital plus total debt. Total debt is calculated as borrowings, lease liabilities, convertible bonds, amounts due to related parties and amounts due to investees. Capital includes equity attributable to owners of our Company.
- (5) Interest coverage ratio is profit before finance costs and income tax expenses for the year/period divided by finance costs for the year/period.
- (6) Gross profit for the year/period divided by revenue for the year/period and multiplied by 100%.
- (7) Profit for the year/period divided by revenue for the year/period and multiplied by 100%.

### OUR CONTROLLING SHAREHOLDERS

Immediately following completion of the Global Offering and the Capitalisation Issue (assuming that the Pre-HKIPO Loans are not converted into Shares and the Over-allotment Option and the options which may be granted under the Share Option Scheme are not exercised at all), Mr. Liu and Ms. Qu (together with their controlled entities) will together form a group of controlling shareholders within the meaning of the Listing Rules and will be entitled to exercise aggregated voting rights of 32.2960% of the total issued share capital of our Company immediately upon the Listing through investment holding companies controlled by Mr. Liu and Ms. Qu, namely ZJJ Many Idea, Xiamen Dream Future, Many Idea Liujianhui and Many Idea Qushuo. For further details, please refer to the section headed “Relationship with Controlling Shareholders” in this prospectus.

### OUR PRE-IPO INVESTORS

Since the establishment of our Group, we have entered into several rounds of financing agreements with the relevant Pre-IPO Investors. For further details, please refer to the sections headed “History, Reorganisation and Corporate Structure — Pre-IPO Investments at Company Level” and “History, Reorganisation and Corporate Structure — Pre-IPO Investment by way of Pre-HKIPO Loans” in this prospectus.

### OUR MILESTONES

Our history began in 2012 with the establishment of Xiamen Many Idea to carry out public relations event planning business, and since then we were led by Mr. Liu, our Controlling Shareholder, who is a veteran in the integrated marketing solutions services and advertising industries. We then expanded into digital marketing and media advertising and then further into content marketing. Leveraging our years of experience in integrated marketing solutions services, we formally launched our SaaS platform in June 2021.

## SUMMARY

For further details and our milestones, please refer to the section headed “History, Reorganisation and Corporate Structure — Overview” in this prospectus.

### OFFERING STATISTICS

Number of the Offer Shares : 160,000,000  
 Offer Price : Not more than HK\$2.38 per Offer Share and is expected to be not less than HK\$1.88 per Offer Share (excluding brokerage, SFC transaction levy, Hong Kong Stock Exchange trading fee and the AFRC transaction levy)  
 (If the Offer Price is set at 10% below the low-end of the indicative Offer Price range after making a Downward Offer Price Adjustment, the Offer Price will be HK\$1.70 per Offer Share)

	<b>Based on an Offer Price of HK\$1.70 per Share, after Downward Offer Price Adjustment of 10% HK\$</b>	<b>Based on an Offer Price of HK\$1.88 HK\$</b>	<b>Based on an Offer Price of HK\$2.38 HK\$</b>
Market capitalisation <sup>(1)</sup>	1,360.0 million	1,504.0 million	1,904.0 million
Unaudited pro forma consolidated net tangible assets per Share <sup>(2)/(3)</sup>	0.49	0.52	0.61

*Notes:*

- (1) The calculation of market capitalisation is based on 800,000,000 Shares with 160,000,000 Offer Shares that are expected to be issued immediately upon completion of the Global Offering and the Capitalisation Issue (assuming that the Pre-HKIPO Loans are not converted into Shares and the Over-allotment Option and the options which may be granted under the Share Option Scheme are not exercised at all).
- (2) Please refer to Appendix II to this prospectus for the bases and assumptions in calculating this figure.
- (3) The unaudited pro forma consolidated net tangible assets per Share is calculated based on 800,000,000 Shares and have not been adjusted to illustrate the effect of the conversion of Pre-HKIPO Loans. Had such conversion of Pre-HKIPO Loans been completed on 30 April 2022, the calculation of market capitalisation will be based on 822,399,345 Shares with 160,000,000 Offer Shares that are expected to be issued immediately upon completion of the Global Offering and the Capitalisation Issue (assuming that the Pre-HKIPO Loans are converted into Shares and the Over-allotment Option and the options which may be granted under the Share Option Scheme are not exercised at all) and the unaudited pro forma consolidated net tangible assets per Share would have been increased by HK\$0.06.

## SUMMARY

### LISTING EXPENSES

Our Directors estimate that the total estimated listing expenses (based on the midpoint of our indicative price range for the Global Offering and assuming that the Over-allotment Option is not exercised, including underwriting commissions and excluding any discretionary incentive fee which may be payable by us) in relation to the Global Offering are approximately RMB59.1 million, accounting for approximately 19.1% of the gross proceeds to be received from the Global Offering. The aforementioned estimated listing expenses of approximately RMB59.1 million include (i) underwriting related expenses of approximately RMB15.4 million; and (ii) non-underwriting related expenses of approximately RMB43.7 million, which consist of fees and expenses of legal advisers and Reporting Accountants of approximately RMB19.1 million and other fees and expenses of approximately RMB24.6 million, accounting for approximately 14.1% of the gross proceeds from the Global Offering. During the Track Record Period, we incurred actual listing expenses of RMB17.1 million, of which (i) RMB8.7 million and RMB5.4 million was charged to our consolidated statement of profit or loss for 2021 and 4M2022 respectively and (ii) approximately RMB3.0 million will be deducted from equity upon Listing. We expect to incur further listing expenses of approximately RMB42.0 million, of which RMB22.0 million will be charged to our consolidated statements of profit or loss upon successful Listing for the year ending 31 December 2022 and RMB20.0 million will be deducted from equity upon Listing.

### USE OF PROCEEDS

Assuming an Offer Price of HK\$2.13 per Offer Share (being the mid-point of the stated range of the Offer Price of between HK\$1.88 and HK\$2.38 per Offer Share), we estimate that we will receive net proceeds of approximately HK\$275.6 million from the Global Offering after deducting the underwriting commissions and other estimated expenses in connection with the Global Offering and assuming that the Over-allotment Option is not exercised. In line with our strategies, we intend to use our proceeds from the Global Offering for the purposes and in the amounts set forth below:

- approximately 14.7%, or HK\$40.4 million, for research and development and enhancing our SaaS interactive marketing platform;
- approximately 31.7% or HK\$87.4 million, for scaling up our IP contents portfolio and expanding our integrated marketing solutions businesses;
- approximately 16.0%, or HK\$44.2 million, for investment in expanding our geographical coverage and enlarging our customer base;
- approximately 32.1%, or HK\$88.4 million, for pursuing strategic cooperation, investments and acquisitions; and
- approximately 5.5%, or HK\$15.2 million, for working capital and general corporate use.

Please refer to the section headed “Future Plans and Use of Proceeds” in this prospectus for further details.

## SUMMARY

### **DIVIDENDS AND DIVIDEND POLICY**

No dividend has been declared or paid by our Company since its incorporation and we do not have a fixed dividend payout ratio.

Any amount of dividends we pay will be at the discretion of our Directors and will depend on our future operations and earnings, general financial condition and other factors that our Directors consider relevant. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the relevant laws. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution.

As we are a holding company incorporated under the laws of the Cayman Islands, our ability to declare and pay dividends will depend on the amount of dividends received from our subsidiaries, if any, particularly those in the PRC. PRC laws require that dividends be paid only out of the net profit calculated according to PRC accounting principles, which differ in many aspects from generally accepted accounting principles in other jurisdictions, including HKFRSs. PRC laws also require foreign-invested enterprises, such as all of our subsidiaries in the PRC, to set aside at least 10% of their net profit as statutory reserves, and such statutory reserves are not available for distribution as cash dividends. Distributions from our subsidiaries may also be restricted if they incur debt or losses or in accordance with any restrictive covenants in bank credit facilities or other agreements that we or our subsidiaries may enter into in the future.

### **IMPACT OF COVID-19**

#### **Impact on our Project Execution**

To varying degrees, our business operations had been affected by the COVID-19 outbreak. Due to the nationwide lockdowns across China during the COVID-19 outbreak, certain of our projects had been temporarily delayed or cancelled. For 2020, three and 15 of our content marketing and public relations event planning projects were delayed or cancelled, respectively. Our revenue from event content marketing projects decreased by approximately 42.8% from 2019 to 2020 and our overall revenue declined by approximately 21.1% from 2019 to 2020.

Our business, including content marketing and media advertising services, started to recuperate in 2021, despite several occasions of local movement restrictions due to COVID-19 which led to temporary delay of five event content marketing projects as at 31 December 2021. Our revenue from content marketing services and media advertising services increased by approximately 5.7% and 131.6%, respectively, for 2021 compared to 2020. In particular, four out of five of the delayed projects had been successfully hosted in January 2022. Further, for our digital marketing services, our revenue increased by approximately 20.3% for 2021 compared to 2020.



## SUMMARY

For 4M2022, one of our event content marketing projects on teenage sports event in 2021 with a contract value of RMB7.5 million which was delayed to 2022 was further postponed as a result of local restrictive measures due to COVID-19. The project was planned to be held at Tangshan city, Hebei Province and is expected to be postponed to the second half of 2022. During the same period, we also had a public relations event planning project which was planned to be held at Quanzhou city, Fujian Province with a contract value of RMB980,000 which was delayed. It is expected that the project will be postponed to the second half of 2022. For the said two projects, we had made prepayments to suppliers in an aggregate amount of RMB1.2 million as at the Latest Practicable Date. In addition, our customers for nine of our projects, which were in pitching and negotiation stage, decided not to proceed further to the signing of contracts and withhold those projects. As those projects were at pitching and negotiation stage, we did not incur substantial costs in relation to those projects.

Subsequent to the Track Record Period from 1 May 2022 and up to the Latest Practicable Date, we had three additional delayed projects and two cancelled projects which were all content marketing projects. Of the three delayed projects, one had been completed on 3 September 2022, one is tentatively postponed to November 2022 and another one is under discussion with the relevant party. Upon negotiations with the IP content provider regarding the two cancelled content marketing projects, it was agreed that the projects will be substituted by two new projects, being a music festival and a cycling race which are expected to be completed by end of 2022. The aggregate contract value of the three additional delayed projects is RMB41.4 million and the two cancelled projects is RMB26.2 million.

During the Track Record Period, we incurred expenses of RMB5.0 million for delayed or cancelled projects that could not be recovered and two of our delayed projects during the Track Record Period had not been completed as at the Latest Practicable Date.

### **Impact on our Principal Place of Business and Staff**

Other than the impacts on execution of our projects, the emergence of the Delta and Omicron virus variants have also created uncertainties for our business operations. Employees in our Beijing office and Quanzhou office were required to work from home due to quarantine measures taken by the authorities. Our Beijing office was closed from beginning of May 2022 to end of May 2022 and our Quanzhou office was closed from around mid-March 2022 to mid-April 2022. As at the Latest Practicable Date, both of our offices had been reopened and operated in full scale. Other than the closure of our Beijing office and Quanzhou office as mentioned, none of our other offices were closed due to the COVID-19 pandemic during 2022 up to the Latest Practicable Date. Further, none of our employees have been diagnosed with COVID-19 up to the Latest Practicable Date.

For further details, please refer to the sections headed “Business — Effects of the COVID-19 Outbreak”, “Financial Information — Key Components of Our Consolidated Statements of Profit or Loss”, “Financial Information — Review of Historical Results of Operations” and “Risk Factors — Risks Relating to Our Business and Our Industry — Our business may continue to be adversely affected by the COVID-19 pandemic or any occurrence of natural disasters” in this prospectus.

## SUMMARY

### RECENT DEVELOPMENT

#### Financial Performance and Project Backlog

Based on our unaudited management accounts for the eight months ended 31 August 2022, our revenue for the eight months ended 31 August 2022 increased when compared with the corresponding period in 2021 despite the above impact of COVID-19 pandemic on our business operation mainly because (i) four out of five of the delayed content marketing projects in 2021 had been successfully held in January 2022 and two event content marketing projects which started in 2021 were successfully held in January 2022 before the resurgence of new wave of COVID-19 in China in the first quarter of 2022 and (ii) successful launch of our Content Engine under SaaS interactive marketing services in June 2021. We had a slightly higher gross profit margin for the eight months ended 31 August 2022 as compared to the corresponding period in 2021, mainly due to our successful launch of our Content Engine which enabled us to provide SaaS interactive marketing services starting from June 2021. As our revenue from SaaS interactive marketing services increased substantially for the eight months ended 31 August 2022 while the respective costs are mainly fixed in nature, we were able to benefit from our SaaS interactive marketing services and attained a higher gross profit margin for the eight months ended 31 August 2022 compared to the corresponding period in 2021. Having considered the above, our Directors are of the view that the impact of the recent increased reported cases of COVID-19 in the PRC to be temporary and do not expect COVID-19 to have a long-term material adverse impact on our business operations and financial performance.

As at 1 May 2022, our total outstanding contract sum for our marketing service business was RMB118.5 million. From 1 May 2022 and up to the Latest Practicable Date, we had a net contract sum of contracts awarded/terminated of RMB174.3 million and we had revenue recognised during the same period of RMB170.1 million. As a result, our total outstanding contract sum for our marketing service business as at the Latest Practicable Date was RMB122.7 million. As at 1 May 2022, we had a total of 88 outstanding projects. From 1 May 2022 and up to the Latest Practicable Date, we were awarded 267 projects and we had completed 248 projects during the same period. As a result, we had a total of 107 outstanding projects as at the Latest Practicable Date. For further information, please refer to the section headed “Business — Our Projects — Project by project basis and subscription basis” in this prospectus.

#### Business Transfer

As part of the Reorganisation, on 30 November 2021, Xiamen Many Idea and Beijing Many Idea (as transferors) and Xiamen Instant Interactive (as transferee) entered into the Business Transfer Agreement to transfer the rights, debts, obligations, assets and liabilities attached to the integrated marketing solutions services businesses (including content marketing, SaaS interactive marketing, digital marketing, public relations event planning and media advertising) carried on by Xiamen Many Idea and Beijing Many Idea, for a consideration of RMB370 million. The consideration represented the deemed distributions to the Controlling Shareholders and the non-controlling interests in relation to the Business Transfer at the date of the Business Transfer. The Business Transfer was



## SUMMARY

completed on 1 December 2021. Certain assets and liabilities of Xiamen Many Idea and Beijing Many Idea were not transferred to Xiamen Instant Interactive as at 1 December 2021 and were treated as deemed distribution of assets to and assumption of liabilities by Controlling Shareholders in connection with the Reorganisation. For details, please refer to the section headed “Financial Information — Basis of Presentation” in this prospectus.

In order for the Group to settle the consideration in connection with the Business Transfer, the Group has arranged bridging loans with two Independent Third Parties in January 2022 amounting to RMB101.3 million. The terms of such loans were for duration of 6 months, with interest rate being (i) zero for the first three months; and (ii) 2% per month for the remaining three months. The whole sum of the loans were unsecured in nature and had been fully drawn down as at 31 January 2022. As at 6 June 2022, the loans had been fully repaid. For details of the Business Transfer, please refer to section headed “History, Reorganisation and Corporate Structure — Reorganisation — Reorganisation for the HK Listing — b. Business Transfer in December 2021” in this prospectus.

### **No Material Adverse Change**

Our Directors confirmed that from 30 April 2022 up to the date of this prospectus, (i) there had been no material adverse changes in the market conditions or the industry and environment in which we operate that materially and adversely affect our financial or operating position; (ii) there was no material adverse change in the trading and financial position or prospects of our Group; and (iii) no event had occurred that would materially and adversely affect the information shown in the Accountants’ Report in Appendix I to this prospectus.

## DEFINITIONS

*In this prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below.*

“2021 Negative List”	Special Administrative Measures (Negative List) for the Access of Foreign Investment (2021) (外商投資准入特別管理措施(負面清單)(2021年版))
“4M2021”	the four months ended 30 April 2021
“4M2022”	the four months ended 30 April 2022
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	Accounting and Financial Reporting Council
“Articles” or “Articles of Association”	the articles of association of our Company (as amended from time to time) conditionally adopted on 12 October 2022, a summary of which is set out in Appendix III to this prospectus
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Beijing Many Idea”	Beijing Good Idea Interactive Culture Communication Co., Ltd.* (北京好想互動文化傳播有限公司), formerly known as Beijing Many Idea Interactive Culture Communication Co., Ltd.* (北京多想互動文化傳播有限公司), a company established under the laws of the PRC with limited liability on 26 October 2017, a subsidiary of Xiamen Many Idea prior to the Reorganisation
“Beijing Many Idea Cloud”	Beijing Many Idea Cloud Technology Co., Ltd.* (北京多想雲科技有限公司), a company established under the laws of the PRC on 24 November 2021 with limited liability and was owned as to 99% by Xiamen Instant Interactive and 1% by Mr. Liu as at the Latest Practicable Date
“Board” or “Board of Directors”	the board of directors of our Company

## DEFINITIONS

“Business Day” or “business day”	a day (other than a Saturday or a Sunday) on which banks in Hong Kong are open for normal banking business
“Business Transfer”	the transactions under and pursuant to the Business Transfer Agreement
“Business Transfer Agreement”	an asset and business transfer agreement dated 30 November 2021 entered into between (i) Xiamen Many Idea and Beijing Many Idea as transferors; and (ii) Xiamen Instant Interactive as transferee whereby the transferors transferred to the transferee, amongst others, the business relating to integrated marketing solutions services then carried out by the transferors, at a consideration of RMB370 million, further particulars of which are set out in the sections headed “History, Reorganisation and Corporate Structure” and “Financial Information” of this prospectus
“BVI”	the British Virgin Islands
“Capitalisation Issue”	the issue of 595,244,490 Shares to be made upon capitalisation of the sum standing to the credit of the share premium account of our Company as referred to in the section headed “Appendix IV — Statutory and General Information — 1. Further Information about our Group — 1.3. Resolutions of our Shareholders passed on 12 October 2022” in this prospectus
“Cayman Companies Act” or “Companies Act”	the Companies Act, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as amended, supplemented or otherwise modified from time to time
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Broker Participant”	a person admitted to participate in CCASS as a broker participant
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant

## DEFINITIONS

“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to the operations and functions of CCASS as from time to time in force
“CCASS Participant”	a CCASS Broker Participant, a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
“China” or “PRC”	the People’s Republic of China, excluding, for the purpose of this prospectus, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended or supplemented from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended or supplemented from time to time
“Company”, “our Company”, “we”, “our” or “us”	Many Idea Cloud Holdings Limited (多想雲控股有限公司), formerly known as Many Idea Cloud Technology Holdings Limited (多想雲科技控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 10 June 2021
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Liu, Ms. Qu, ZJJ Many Idea, Xiamen Dream Future, Many Idea Liujianhui and Many Idea Qushuo, details of which are set out in the section headed “Relationship with Controlling Shareholders” in this prospectus
“core connected person”	has the meaning ascribed to it under the Listing Rules

## DEFINITIONS

“COVID-19”	coronavirus disease 2019
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the PRC national securities markets
“Deed of Indemnity”	the deed of indemnity dated 12 October 2022 and executed by our Controlling Shareholders in favour of our Company and our subsidiaries to provide certain indemnities, particulars of which are set out in the section headed “Statutory And General Information — 4. Other information — 4.1. Estate duty, tax and other indemnities” in Appendix IV to this prospectus
“Deed of Non-competition”	the deed of non-competition dated 12 October 2022 and executed by our Controlling Shareholders in favour of our Company, particulars of which are set out in the section headed “Relationship With Controlling Shareholders — Deed of Non-competition” in this prospectus
“Director(s)”	the director(s) of our Company
“Downward Offer Price Adjustment”	an adjustment that has the effect of setting the final Offer Price up to 10% below the low-end of the indicative Offer Price range
“EIT” or “enterprise income tax”	the enterprise income tax of the PRC
“EIT Law”	the PRC Enterprise Income Tax Law (中華人民共和國企業所得稅法) as amended, supplemented or otherwise modified from time to time
“EIT Rules”	the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法實施細則), as amended, supplemented or otherwise modified from time to time
“Extreme Conditions”	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
“Foreign Investment Law”	the PRC Foreign Investment Law (中華人民共和國外商投資法) adopted at the Second Session of the Thirteenth National People’s Congress of the PRC on 15 March 2019

## DEFINITIONS

“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent market, research and consulting company and Independent Third Party, which prepared the Frost & Sullivan Report
“Frost & Sullivan Report”	the industry report commissioned by us and independently prepared by Frost & Sullivan, a summary of which is set forth in the section headed “Industry Overview” in this prospectus
“GDP”	gross domestic product
“Global Offering”	the Hong Kong Public Offering and the International Offering
“GREEN Application Form(s)”	the application form(s) to be completed by the <b>White Form eIPO</b> Service Provider, Computershare Hong Kong Investor Services Limited
“Group” or “our Group”	our Company and our subsidiaries or where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, the subsidiaries as if they were the subsidiaries of our Company at the time
“Hainan Many Idea”	Hainan Many Idea Future Culture Communication Co., Ltd.* (海南多想未來文化傳播有限公司), a company established under the laws of the PRC on 19 March 2021 with limited liability and an indirect wholly owned subsidiary of our Company as at the Latest Practicable Date
“HK” or “Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$” or “HKD” or “Hong Kong dollars” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRSs”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC

## DEFINITIONS

“Hong Kong Offer Shares”	the 16,000,000 Shares being initially offered by our Company for subscription at the Offer Price pursuant to the Hong Kong Public Offering (subject to reallocation and adjustments as described in the section headed “Structure of the Global Offering” in this prospectus)
“Hong Kong Public Offering”	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong
“Hong Kong Share Registrar”	Computershare Hong Kong Investor Services Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering whose names are set out in the section headed “Underwriting — Hong Kong Underwriters” in this prospectus
“Hong Kong Underwriting Agreement”	the underwriting agreement dated 27 October 2022, relating to the Hong Kong Public Offering entered into among the Sole Sponsor, the Sole Representative, the Hong Kong Underwriters, our Company, our Controlling Shareholders and our executive Directors, as further described in the section headed “Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering” in this prospectus
“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are not our connected persons, which has the meaning ascribed to it under the Listing Rules
“International Offer Shares”	the 144,000,000 Shares being initially offered for subscription under the International Offering together, where relevant, with any additional Shares that may be issued pursuant to any exercise of the Over-allotment Option, subject to adjustments and re-allocation as described in the section headed “Structure of the Global Offering” in this prospectus

## DEFINITIONS

“International Offering”	the conditional placing of the International Offer Shares outside the United States in offshore transactions in accordance with Regulation S, as further described in the section headed “Structure of the Global Offering” in this prospectus
“International Underwriters”	the underwriters of the International Offering
“International Underwriting Agreement”	the underwriting agreement relating to the International Offering and expected to be entered into among the Sole Sponsor, the Sole Representative, the International Underwriters, our Company, our Controlling Shareholders and our executive Directors on or about the Price Determination Date. Please refer to the section headed “Underwriting — Underwriting Arrangements and Expenses — International Offering” in this prospectus
“Jiangxi Meita”	Jiangxi Meita Culture Communication Co., Ltd.* (江西鎂塔文化傳播有限公司), a company established under the laws of the PRC on 6 June 2016 with limited liability and an indirect wholly owned subsidiary of our Company as at the Latest Practicable Date
“Joint Bookrunners”	the joint bookrunners as named in the section headed “Directors and Parties Involved in the Global Offering” in this prospectus
“Joint Global Coordinators”	the joint global coordinators as named in the section headed “Directors and Parties Involved in the Global Offering” in this prospectus
“Joint Lead Managers”	the joint lead managers as named in the section headed “Directors and Parties Involved in the Global Offering” in this prospectus
“Latest Practicable Date”	19 October 2022, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
“Listing”	the listing of the Shares on the Main Board of the Hong Kong Stock Exchange
“Listing Date”	the date, expected to be on or around Wednesday, 9 November 2022, from which the Shares are listed and dealings therein are first permitted to take place on the Hong Kong Stock Exchange



## DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Loan Agreements”	the loan agreements entered into between our Company and the Pre-HKIPO Loan Lenders, details of which are set out in the section headed “History, Reorganisation and Corporate Structure Pre-IPO Investment by way of Pre-HKIPO Loans” of this prospectus
“M&A Rules”	Rules on Merger and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》)
“Main Board”	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange
“Many Idea BVI”	Many Idea Interactive Limited, a company incorporated under the laws of BVI on 9 July 2021 with limited liability and a direct wholly owned subsidiary of our Company as at the Latest Practicable Date
“Many Idea HK”	Many Idea Interactive Technology (Hong Kong) Limited (多想互動科技(香港)有限公司), a company incorporated under the laws of Hong Kong on 26 July 2021 with limited liability and an indirect wholly owned subsidiary of our Company as at the Latest Practicable Date
“Many Idea Liujianhui”	Many Idea Liujianhui Limited, a company incorporated under the laws of BVI on 28 May 2021 with limited liability, which was wholly owned by Mr. Liu as at the Latest Practicable Date, and is one of our Controlling Shareholders
“Many Idea Qushuo”	Many Idea Qushuo Limited, a company incorporated under the laws of BVI on 27 May 2021 with limited liability, which was wholly owned by Ms. Qu as at the Latest Practicable Date, and is one of our Controlling Shareholders

## DEFINITIONS

“Memorandum” or “Memorandum of Association”	the memorandum of association of our Company (as amended from time to time) adopted on 12 October 2022, a summary of which is set out in Appendix III to this prospectus
“MIIT”	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
“MOF”	the Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“Mr. Chen SC”	Mr. Chen Shancheng (陳善成), our executive Director
“Mr. Chen ZM”	Mr. Chen Zeming (陳澤銘), our executive Director
“Mr. Liu”	Mr. Liu Jianhui (劉建輝), our founder, chairman of the Board, chief executive officer, executive Director, and one of our Controlling Shareholders and the spouse of Ms. Qu
“Ms. Huang”	Ms. Huang Tingting (黃婷婷), our executive Director
“Ms. Qu”	Ms. Qu Shuo (曲碩), our executive Director, one of our Controlling Shareholders and the spouse of Mr. Liu
“NDRC”	National Development and Reform Commission of the People’s Republic of China (中華人民共和國國家發展和改革委員會)
“NEEQ”	the National Equities Exchange and Quotations (全國中小企業股份轉讓系統), a Chinese over-the-counter system for trading of shares of public limited companies
“Nomination Committee”	the nomination committee of our Board
“NPC”	National People’s Congress of the People’s Republic of China (中華人民共和國全國人民代表大會)

## DEFINITIONS

“Offer Price”	the final offer price per Offer Share in Hong Kong dollars (exclusive of brokerage of 1%, the SFC transaction levy of 0.0027%, the Hong Kong Stock Exchange trading fee of 0.005% and the AFRC transaction levy of 0.00015%) at which the Hong Kong Offer Shares are to be subscribed under the Hong Kong Public Offering and the International Offer Shares are to be offered under the International Offering, to be determined in the manner further described in the section headed “Structure of the Global Offering — Pricing and Allocation” in this prospectus, subject to any Downward Offer Price Adjustment
“Offer Shares”	the Hong Kong Offer Shares and the International Offer Shares together, where relevant, with any additional Shares to be sold by our Company pursuant to the exercise of the Over-allotment Option
“Over-allotment Option”	the option expected to be granted by our Company under the International Underwriting Agreement to the International Underwriters, exercisable by the Sole Representative (for itself and on behalf of the International Underwriters), with the consent of the Company, pursuant to which our Company may be required to allot and issue up to 24,000,000 additional new Shares, representing approximately 15% of the Shares initially available under the Global Offering, to, among other things, cover over-allocations in the International Offering (if any) as described in the section headed “Structure of the Global Offering — Over-allotment Option” in this prospectus
“PBOC”	People’s Bank of China, the central bank of the PRC
“PRC government”, “Chinese government” or “State”	the central government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities)
“PRC Legal Advisers”	Jingtian & Gongcheng, the legal advisers as to PRC laws to our Company

## DEFINITIONS

“Pre-HKIPO Loans”	the loans granted to our Company by the Pre-HKIPO Loan Lenders pursuant to the Loan Agreements (and each of such loans, the “ <b>Pre-HKIPO Loan</b> ”), details of which are set out in the section headed “History, Reorganisation and Corporate Structure Pre-IPO Investment by way of Pre-HKIPO Loans” of this prospectus
“Pre-HKIPO Loan Lenders”	the loan lenders of the Loan Agreements, details of which are set out in the section headed “History, Reorganisation and Corporate Structure Pre-IPO Investment by way of Pre-HKIPO Loans” of this prospectus
“Pre-IPO Investment(s)”	the investment(s) in our Group undertaken by the Pre-IPO Investors prior to the Global Offering, details of which are set out in the sections headed “History, Reorganisation and Corporate Structure — Excluded Companies — 1. Xiamen Many Idea — Pre-IPO Investments at Xiamen Many Idea Level”, “History, Reorganisation and Corporate Structure — Reorganisation” and “History, Reorganisation and Corporate Structure — Pre-IPO Investment by way of Pre-HKIPO Loans” of this prospectus
“Pre-IPO Investor(s)”	the investor(s) of the Pre-IPO Investment(s), details of which are set out in the sections headed “History, Reorganisation and Corporate Structure — Reorganisation”, “History, Reorganisation and Corporate Structure — Excluded Companies — 1. Xiamen Many Idea — Pre-IPO Investment at Xiamen Many Idea Level” and “History, Reorganisation and Corporate Structure — Pre-IPO Investment at Company Level” and “History, Reorganisation and Corporate Structure — Pre-IPO Investment by way of Pre-HKIPO Loans” of this prospectus
“Price Determination Date”	the date, expected to be Wednesday, 2 November 2022, on which the Offer Price is fixed for the purposes of the Global Offering, and in any event no later than Monday, 7 November 2022

## DEFINITIONS

“Quanzhou Many Idea”	Quanzhou Many Idea Interactive Culture Communication Co., Ltd.* (泉州多想互動文化傳播有限公司), a company established under the laws of the PRC on 7 July 2018 with limited liability and an indirect wholly owned subsidiary of our Company as at the Latest Practicable Date
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration Committee”	the remuneration committee of our Board
“Reorganisation”	the reorganisation of our Group in preparation of the Listing, details of which are set out in the section headed “History, Reorganisation and Corporate Structure” in this prospectus
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局), the PRC government authority responsible for matters relating to foreign exchange administration
“SAIC”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局) (formerly known as the State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局))
“SAT”	the State Taxation Administration of the PRC (中華人民共和國國家稅務總局)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended and supplemented from time to time
“Shanghai Senyu”	Shanghai Senyu Advertising Co., Ltd.* (上海森昱廣告有限公司), a company established under the laws of the PRC on 12 December 2012 with limited liability and an indirect wholly owned subsidiary of our Company as at the Latest Practicable Date
“Shareholder(s)”	the holder(s) of Shares

## DEFINITIONS

“Share(s)”	ordinary share(s) in the capital of our Company with nominal value of HK\$0.0001 each
“Sole Representative”	Zhongtai International Securities Limited
“Sole Sponsor”	Zhongtai International Capital Limited, a corporation licensed by the SFC to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“sq.m.”	square metres
“Stabilising Manager”	Zhongtai International Securities Limited
“State Council”	State Council of the PRC (中華人民共和國國務院)
“Stock Borrowing Agreement”	the stock borrowing agreement expected to be entered into on or around the Price Determination Date between the Stabilising Manager (or its affiliates acting on its behalf) and Many Idea Liujianhui, pursuant to which Many Idea Liujianhui agrees to lend in aggregate up to 24,000,000 Shares to the Stabilising Manager on the terms set out therein
“subsidiary” or “subsidiaries”	has the meaning ascribed to it in the Listing Rules
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the period comprising the three years ended 31 December 2021 and the four months ended 30 April 2022
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
“U.S.” or “United States”	the United States of America, its territories and possessions, any State of the United States, the District of Columbia and all areas subject to its jurisdiction

## DEFINITIONS

“U.S. Securities Act”	the United States Securities Act of 1933, as amended and supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
“US\$” or “USD” or “U.S. dollars”	United States dollars, the lawful currency of the United States
“VAT”	value-added tax
“WFOE”	Xiamen Many Idea Interactive Cloud Technology Co., Ltd.* (廈門多想互動雲科技有限公司), wholly foreign owned entity established under the laws of the PRC with limited liability on 26 November 2021 and an indirect wholly-owned subsidiary of our Company as at the Latest Practicable Date
“White Form eIPO”	the application for the Hong Kong Offer Shares to be issued in the applicant’s own name by submitting applications online through the designated website of <b>White Form eIPO</b> Service Provider at <a href="http://www.eipo.com.hk">www.eipo.com.hk</a>
“White Form eIPO Service Provider”	Computershare Hong Kong Investor Services Limited
“Withdrawal Mechanism”	a mechanism which requires our Company, among other things, to (a) issue a supplemental prospectus as a result of material changes in the information in this prospectus; and (b) extend the offer period and to allow potential investors, if they so desire, to confirm their applications using an opt-in approach (i.e. requiring investors to positively confirm their applications for shares despite the changes)
“Xiamen Advertising”	Xiamen Many Idea Vision Advertising Co., Ltd.* (廈門多想視界廣告有限公司), a company established under the laws of the PRC with limited liability on 8 May 2019 and is owned as to, amongst others, 9.0909% by Xiamen Many Idea as at the Latest Practicable Date
“Xiamen Chuangxiang Future”	Xiamen Huli District Chuangxiang Future Investment Partnership (Limited Partnership)* (廈門市湖裏區創想未來投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 10 July 2015, which was owned as to 99% by Mr. Liu and 1% by Ms. Qu as at the Latest Practicable Date

## DEFINITIONS

“Xiamen Dream Future”	Xiamen Huli District Dream Future Investment Partnership Enterprise (Limited Partnership)* (廈門市湖裏區夢想未來投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 10 July 2015, which was owned as to 90% by ZJJ Many Idea, 9.9% by Mr. Liu and 0.1% by Ms. Qu as at the Latest Practicable Date, and is one of our Controlling Shareholders
“Xiamen Instant Interactive”	Xiamen Instant Interactive Culture Communication Co., Ltd.* (廈門即刻互動文化傳播有限公司), a company established under the laws of the PRC on 11 May 2021 with limited liability and an indirect wholly owned subsidiary of our Company as at the Latest Practicable Date
“Xiamen Many Idea”	Good Idea Interactive (Xiamen) Culture Communication Co., Ltd.* (好想互動(廈門)文化傳播股份有限公司), formerly known as Xiamen Many Idea Interactive Co., Ltd.* (廈門多想互動文化傳播股份有限公司), a joint stock limited company established under the laws of the PRC on 21 May 2012 and the holding company carrying out part of our business prior to the Reorganisation
“Xiamen Second Future”	Xiamen Second Future Technology Co., Ltd.* (廈門第二未來科技有限公司), a company established under the laws of the PRC on 14 July 2016 with limited liability and an indirect wholly owned subsidiary of our Company as at the Latest Practicable Date
“Xiamen Vision”	Xiamen Many Idea Vision Culture Media Co., Ltd.* (廈門多想視界文化傳媒有限公司), a company established under the laws of the PRC with limited liability on 29 August 2018 and was owned as to, amongst others, 17.0729% by Xiamen Many Idea as at the Latest Practicable Date
“Xinjiang Kashi”	Xinjiang Kashi Lianjie Culture Communication Co., Ltd.* (新疆喀什聯界文化傳播有限公司), a company established under the laws of the PRC on 5 April 2016 with limited liability and an indirect wholly owned subsidiary of our Company as at the Latest Practicable Date



## DEFINITIONS

“Xinjiang Many Idea Cloud”	Xinjiang Many Idea Cloud Culture Communication Co., Ltd.* (新疆多想雲文化傳播有限公司), a company established under the laws of the PRC on 9 May 2022 with limited liability and an indirect wholly owned subsidiary of our Company as at the Latest Practicable Date
“ZJJ Many Idea”	Zhangjiajie Lejian Many Idea Network Technology Centre (Limited Partnership)* (張家界樂見多想網絡科技中心(有限合夥)), a limited partnership established under the laws of the PRC on 4 March 2021 which was owned as to 99% by Mr. Liu and 1% by Ms. Qu as at the Latest Practicable Date, and is one of our Controlling Shareholders
“%”	per cent

*In this prospectus, the terms “associate”, “close associate”, “connected person”, “core connected person”, “connected transaction”, “subsidiary”, “controlling shareholder” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.*

*Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.*

*The English names of PRC entities, PRC laws or regulations, and the PRC governmental authorities referred to in this prospectus are translations from their Chinese names and are for identification purposes. If there is any inconsistency, the Chinese names shall prevail. The English translation of names or any descriptions in Chinese marked with “\*” is for identification purposes only.*

## GLOSSARY OF TECHNICAL TERMS

*This glossary contains explanations of terms used in this prospectus in connection with us and our business. As such, these terms and their meanings may not correspond to standard industry meanings or usages of these terms.*

“AI”	artificial intelligence
“API”	application programming interface, a set of clearly defined methods of communication between various software components
“digital content marketing”	content marketing activities that rely on online platforms, such as TikTok, Xiaohongshu and Weibo and other internet platforms
“Double Twelve”	an annual online shopping promotion event in China on or around 12 December
“Double 11 Singles’ Day”	an annual online shopping promotion event in China on or around 11 November
“event content marketing”	content marketing activities that rely primarily on offline events, such as concerts, marathons, fashion shows and other local events
“H5”	HTML5, a markup language used for structuring and presenting content on web pages, which is the fifth and current major version of the HTML standard
“IP”	creations of the mind, such as literary and artistic works, videos, movies and images used in commerce
“IT”	information technology
“KOL(s)”	key opinion leader(s)
“online private traffic”	customer traffic generated from merchant’s website, apps, and social accounts on any social platforms that has traffic and social interaction, such as WeChat and Weibo
“online public traffic”	customer traffic within public marketplaces such as Taobao and JD
“SaaS”	a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted

## FORWARD-LOOKING STATEMENTS

This prospectus contains certain forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this prospectus, the words “aim”, “anticipate”, “believe”, “consider”, “could”, “expect”, “estimate”, “going forward”, “intend”, “may”, “ought to”, “plan”, “predict”, “project”, “seek”, “should”, “will”, “would” and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialise or may change. These statements are subject to certain risks, uncertainties and assumptions, including the risk factors as described in this prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties we face which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our business operations and prospects;
- future developments, trends and conditions in the industry and markets in which we operate;
- our business strategies, plans to achieve these strategies, objectives and goals;
- general economic conditions and business conditions in the PRC;
- changes to the regulatory environment, policies, operating conditions and general outlook in the industries and markets in which we operate;
- the actions of and developments affecting our major customers and suppliers;
- our ability to attract and retain qualified employees and key personnel;
- our capital expenditure plans;
- our ability to control or reduce costs;
- our dividend policy;
- the amount and nature of, and potential for, future development of our business;
- capital market developments;
- the actions and developments of our competitors; and
- certain statements included in the sections headed “Risk Factors”, “Industry Overview”, “Regulatory Overview”, “Business”, “Financial Information” and

## FORWARD-LOOKING STATEMENTS

“Future Plans and Use of Proceeds” in this prospectus with respect to operations, margins, overall market trends, risk management and exchange rates.

By their nature, certain disclosures relating to these and other risks are only estimates and should one or more of these uncertainties or risks materialise or should underlying assumptions prove to be incorrect, our financial condition and actual results of operations may be materially and adversely affected and may vary significantly from those estimated, anticipated or projected, as well as from historical results.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way we expect or at all. Accordingly, the forward-looking statements are not a guarantee of future performance and you should not place undue reliance on any forward-looking information. Moreover, the inclusion of forward-looking statements should not be regarded as representations by us that our plans and objectives will be achieved or realised. All forward-looking statements in this prospectus are qualified by reference to the cautionary statements in this section as well as the risks and uncertainties discussed in the section headed “Risk Factors” in this prospectus.

In this prospectus, statements of or references to our intentions or those of our Directors are made as at the date of this prospectus. Any such information may change in light of future developments.

## RISK FACTORS

*Potential investors should consider carefully all the information set out in this prospectus and, in particular, should consider and evaluate the following risks and uncertainties associated with an investment in our Company before making any investment decision relating to our Shares. Our Group's business, financial condition and results of operations could be materially and adversely affected by, and the trading prices of our Shares could decline due to, any of these risks or any uncertainty that our Group is unaware of, and you may lose all or part of your investment.*

### RISKS RELATING TO OUR BUSINESS AND OUR INDUSTRY

#### **Our business may continue to be adversely affected by the COVID-19 pandemic or any occurrence of natural disasters**

The COVID-19 pandemic has caused and may continue to cause a long-term adverse impact on the economy and social conditions in China and other affected countries, which may have an indirect impact on the PRC marketing industry and adversely affect our business operations. In response to the COVID-19 pandemic, the PRC government has imposed measures across the PRC including, but not limited to, shut down of business operations for certain periods of time, social distancing, travel restrictions and quarantine for travellers or returnees, whether infected or not, to an extended shutdown of certain business operations.

To varying degrees, our business operations had been affected by the COVID-19 pandemic. Due to the nationwide lockdowns across China during the COVID-19 pandemic, certain of our projects had been temporarily delayed or cancelled, especially content marketing and public relations event planning projects. For 2020 and 2021, three and five of our content marketing had been delayed, respectively, and 15 and four of our content marketing and public relations event planning projects had been cancelled, respectively, and these projects primarily utilise offline events. For 4M2022, we had one event content marketing project and one public relations event planning project being delayed. Our revenue also decreased by approximately 21.1% from RMB391.0 million in 2019 to RMB308.4 million in 2020.

Further, the recent emergence and increasing reported cases of the Delta and Omicron virus variants, the two COVID-19 virus variants which are significantly more infectious than its predecessors, have created uncertainties for our business operations under the COVID-19 pandemic. For example, employees in our Beijing office and Quanzhou office were required to work from home due to quarantine measures taken by the authorities. Our Beijing office was closed from beginning of May 2022 to end of May 2022 and our Quanzhou office was closed from around mid-March 2022 to mid-April 2022. Both of our offices had been reopened and operated in full scale since May 2022. Also, subsequent to the Track Record Period from 1 May 2022 up to the Latest Practicable Date, we had three additional delayed projects and two cancelled projects which were all content marketing projects.

## RISK FACTORS

An outbreak of any other epidemics in the PRC may further deter public gatherings and reduce the demand for marketing and entertainment-related events, shows, exhibitions, etc. We are uncertain as to whether there will be any further waves of COVID-19 outbreaks in China nor when the COVID-19 pandemic will be contained in China and globally, and we may not be able to accurately predict whether the COVID-19 pandemic will have further impact on our business operations. Further, if any of our employees is suspected of contracting COVID-19, or if our customers or media partners continue to be affected by COVID-19, our business, results of operations, and financial condition could be adversely affected. Please refer to the sections headed “Business — Effects of the COVID-19 Outbreak” , “Financial Information — Key Components of Our Consolidated Statements of Profit or Loss” and “Financial Information — Review of Historical Results of Operations” in this prospectus for further details.

Further, natural disasters, epidemics and other acts of God which are beyond our control may also adversely affect our business, which could interrupt our operations or the services or operations of our suppliers and customers. If we are not able to effectively and efficiently operate our business and implement our strategies as planned, we may not be able to grow our business and generate revenue as anticipated, and our business operations, financial condition and prospects may be materially and adversely affected.

**We rely on our customers from the fast moving consumer goods, footwear and apparel and real estate industries and any adverse development in these industries may impact us**

For 2019, 2020, 2021 and 4M2022, approximately 82.4%, 82.7%, 94.9% and 89.6% of our revenue were, in aggregate, generated from customers from the fast moving consumer goods, footwear and apparel and real estate industries. The general prosperity and development of the overall fast moving consumer goods, footwear and apparel and real estate industries may fluctuate significantly from time to time. The growth and development of these industries may not sustain in future periods, and is subject to various factors beyond our control, and cannot be predicted with certainty. For example, the PRC real estate market may be adversely affected by various factors including the macro-economy in China, demand and supply for real properties, seasonality, availability of alternative investments, inflation, and any macroeconomic control measures implemented by the PRC government. Given that we generate a majority amount of our revenue from customers in these industries, a downturn or any adverse developments in these industries in the PRC may materially and adversely affect our business, prospects, financial condition and/or results of operations.

**If we fail to successfully obtain marketing rights to projects with IP contents or acquire IP contents suiting our customers’ and their end-customers’ preferences or to successfully commercialise these IP contents, we may lose our customers**

In content marketing services, we cater to our customers’ marketing needs by integrating their advertisements into the various events and videos (e.g., fashion week, marathons, music festivals, family activities events, and campus events) which utilise IP contents that are either owned by us or by third parties. We generally approach our selected customers upon identifying the target customers group for the corresponding IP

## RISK FACTORS

contents with the sponsorship proposals and obtained sufficient indication of interest from our customers prior to proceeding to acquire the marketing rights for third party IP content marketing projects, which we believe will minimise our impairment risk in relation to the IP contents acquired. We believe the uniqueness and novelty of these IP contents and our ability to commercialise these IP contents and to integrate our customers' advertisements into the events and videos had contributed to our success in attracting our customers to engage us to promote their brands.

However, we cannot guarantee that we will continue to be able to obtain marketing rights to events and videos with IP contents or acquire IP contents suiting our customers' and the end-customers' preferences or that we will be able to successfully commercialise those IP contents. If we fail to do so, our customers may decide to engage other marketing service providers and our Group's business, operations and financial condition will be materially and adversely affected. Further, if our IP contents acquired does not suit the needs of our customers or are not being well received by them, the corresponding marketing rights acquired may be subject to impairment and the cost of acquisition of the IP content may be amortised during the relevant year which may in turn have material impact on our financial condition.

**Our SaaS interactive marketing services have a short operating history, which makes it difficult to evaluate the prospects and future growth in our SaaS interactive marketing services**

Although we began to prepare for the expansion into the SaaS interactive marketing services in 2018, we only formally launched our SaaS interactive marketing service platform, Content Engine, as a business offering complementary to our integrated marketing solutions services in June 2021 and thus it has a short operating history. For 2021 and 4M2022, revenue generated from our SaaS interactive marketing services was RMB10.6 million and RMB9.0 million, respectively, and gross profit generated from our SaaS interactive marketing services was RMB4.0 million and RMB3.8 million, respectively. Further, to facilitate the expansion of our SaaS interactive marketing business, we intend to allocate 14.7% of our proceeds from the Global Offering for research and development and enhancement of our SaaS interactive marketing platform.

Despite our efforts in researching and developing technology-driven SaaS products, we cannot assure you that our existing and future SaaS products will achieve the anticipated level of demand and we may incur loss if our revenue from SaaS interactive marketing services is unable to offset our expenses on the development of such services. Further, customers may not choose or continue to use our SaaS products if our SaaS products are unable to assist our customers in achieving their marketing objectives or if our competitors offer superior and more customer-friendly products and services. If any of the above occur, it may materially and adversely affect our results of operations, financial condition and prospects.

## RISK FACTORS

**Our gross profit margins have fluctuated during the Track Record Period and may continue to fluctuate in the future**

We have experienced fluctuations in gross profit margin during the Track Record Period. For example, our gross profit margin amounted to approximately 33.1%, 24.2%, 32.4% and 32.1%, respectively, during each period of the Track Record Period. The decrease in our gross profit margin in 2020 was primarily as a result of the impact of various restrictions due to COVID-19 which led to postponement or cancellation of various of our projects utilising primarily offline events or channels for promotion while we had incurred cost for the corresponding projects. Please refer to the section headed “Financial Information — Key Components of Our Consolidated Statements of Profit or Loss” in this prospectus for further details.

There can be no assurance that our gross profit margin will not be lower than the levels recorded during the Track Record Period or our gross profit margin will not continue to further fluctuate in the future. Our gross profit margin may decline by a material extent for reasons beyond our control, such as decreasing marketing spending by customers, increasing competition, implementation of further restrictions due to COVID-19 and changes in government policies or general economic conditions. Accordingly, we cannot guarantee that our gross profit margin will not fluctuate from time to time. If there is any decline in our gross profit margin in the future, our profitability and financial condition may be materially and adversely affected.

**Our business depends on our ability to maintain our existing business with our customers and our ability to attract new customers and we generally do not enter into long term business contracts with our customers**

Our ability to continue to grow our revenue and profit from our integrated marketing solutions services will depend in large part on our ability to expand our business with our current customers and to attract new customers. We rely on our reputation in the industry to attract brand owners to engage us for integrated marketing solutions services. We cannot guarantee that our integrated marketing solutions services will remain attractive nor can we guarantee that we would be able to continue to attract new customers for our business. If we are unable to maintain our business with existing customers or attract new customers, then our sales will decrease and our operating results will be materially and adversely affected.

Our SaaS interactive marketing services plans are offered to customers on an annual subscription basis. For our customised SaaS products and other integrated marketing solutions services, our contracts with our customers are typically on an individual project basis and we generally do not enter into long term business contracts with our customers. Accordingly, we may have limited visibility as to our future revenue stream and there is no assurance that we will be able to maintain or increase the volume of business with existing or potential customers, which may in turn affect our results of operations and financial condition.



## RISK FACTORS

### **Our Group operates in a competitive industry and if we fail to compete effectively, our business may be adversely affected**

The marketing services industry is a highly competitive and fragmented industry in China with over one million marketing services companies and the top five marketing services companies only accounted for approximately 16.9% of the total revenue of the marketing services market in China in 2021. In addition, we are subject to significant competition in online marketing which primarily relates to our digital content marketing services sub-segment, digital marketing services segment and SaaS interactive marketing services segment. Marketing services providers of different levels, ranging from large-sized marketing services groups to a large number of small-to-medium-sized companies, participate in the industry competition. For example, there were (i) over 100,000 companies in the digital marketing services market in China in 2021; and (ii) around 600 to 1,000 companies in the SaaS marketing services in China in 2021. Many of these participants have longer operating history, stronger financial resources, and larger operation staff than us. In addition, there are new entrants to the market.

Our Company faces fierce competition from existing marketing and advertising companies or new entrants. In order to stay competitive in this industry, market participants have to ensure that their services are consistently of a high quality while maintaining competitive prices in order to successfully undercut competition to secure contracts. There is no assurance that our Group's business will remain competitive in the industry. Further, we may not be able to compete against major online competitors despite our competitive strength in the ability to integrate "online" and "offline" media channels to provide one-stop integrated marketing solutions services to our customers. Failure to maintain or enhance our competitiveness in the industry may lead to lower profit margins and loss of market share, which may in turn adversely affect our profitability and results of operations.

### **Our business is dependent on the success of our customers' businesses**

Our business depends on the brand recognition of our customers' brands, which is beyond our control. We cannot guarantee that negative reports about our customers' brands will not occur in the future which may cause serious damage to our customers' brands, public image, reputation and business. If our customers are unable to maintain or enhance their brand image, or if our customers' brand image is damaged by negative publicity or if our customers' brands are not accepted by their target end-customers, this could have a material adverse effect on our customers' business, financial condition and results of operations, which may lead to a decline in marketing budgets of our customers and in turn result in decrease in spending on the integrated marketing solutions services that we provide to them. Any of the foregoing events could adversely affect our business and operating results.

## RISK FACTORS

### **We are subject to credit risk of our customers**

We are subject to credit risk of our customers, and our profitability and cash flow are dependent on the ratio of outstanding receivables to cash received in a period. Our credit terms with our customers are generally around 180 days, and we are exposed to credit risk from our customers. If there is any delay in payment by our customers, our profitability, working capital and cash flow may be adversely affected.

As at 31 December 2019, 2020 and 2021 and 30 April 2022, our trade receivables less provision for impairment loss recognised amounted to RMB139.6 million, RMB156.1 million, RMB147.5 million and RMB206.9 million, respectively. For each year/period during the Track Record Period, our trade receivables average turnover days were approximately 123.7 days, 191.9 days, 178.2 days and 169.4 days, respectively. The significantly longer trade receivables average turnover days in 2020 and 2021 compared to 2019 was primarily due to the delay in payment by our customers as a result of the impact of COVID-19 on their business operations. As at the Latest Practicable Date, RMB156.1 million or approximately 65.8% of our trade receivables as at 30 April 2022 had been subsequently settled. For further details of the impact of COVID-19 on our trade receivables, please refer to the section headed “Financial Information — Selected Balance Sheet Items — Trade Receivables” in this prospectus.

There is no assurance that we will be able to fully recover our trade receivables from our customers or that they will settle our trade receivables in a timely manner. In the event the settlements from our customers are not made on a timely manner or at all, the financial position, profitability and cash flow of our Group may be materially and adversely affected.

### **We may be subject to impairment losses on prepayments, deposits, and other receivables**

Our prepayments, deposits and other receivables primarily consist of (i) prepayments, (ii) deposits, (iii) value added tax recoverable, (iv) interest receivables, (v) other receivables and (vi) deferred listing expenses. Our prepayments, deposits and other receivables balances as at 31 December 2019, 2020 and 2021 and 30 April 2022 were RMB9.3 million, RMB21.1 million, RMB50.3 million and RMB39.7 million, respectively. Among which, our prepayments, which primarily related to prepayment to our suppliers for our marketing services projects and accounted for majority of our prepayments, deposits and other receivables, were RMB6.9 million, RMB15.3 million, RMB44.0 million and RMB32.9 million as at 31 December 2019, 2020 and 2021 and 30 April 2022, respectively. In the event that our suppliers failed to provide the supplies or services that they agreed to provide to us after we have made prepayments to them and failed to return the respective prepayments to us in full or at all, we may have to make provision for impairment on our prepayments to them. As such, if we need to make provision for impairment losses for our prepayments and other receivables, our cash flow position may be materially and adversely affected, and thereby our business, financial condition and results of operations may also be materially and adversely affected.

## RISK FACTORS

**We recorded negative operating cash flow for 2020 and 4M2022 and we cannot assure you that we will be able to generate positive cash flow from operating activities in the future**

Our net cash used in operating activities was RMB7.0 million for 2020 primarily due to (i) net provision for impairment loss recognised on trade receivables of RMB11.5 million as a result of the COVID-19 impact on our customers leading to larger provision on trade receivables; (ii) increase in trade receivables of RMB28.0 million as a result of slower collection of trade receivables caused by the impact of COVID-19; and (iii) increase in prepayments, deposits and other receivables of RMB10.3 million as a result of delay of certain of our projects where we had already prepaid our suppliers. We also recorded net cash used in operating activities of RMB14.2 million for 4M2022 primarily due to increase in trade receivables of RMB95.7 million mainly as a result of the impact of COVID-19 on some of our customers' business and operations which prolonged the time for their payments to us and our increase in revenue along with our growth in business in 4M2022. For further information, please refer to the section headed "Financial Information — Liquidity and Capital Resources — Cash Flow" in this prospectus.

We cannot assure you that we will be able to generate positive cash flow from operating activities in the future. If we record net operating cash outflow in the future, our working capital may be constrained which may adversely affect our financial condition. Our future liquidity, payment of trade payables, and bank and other borrowings primarily depend on our ability to maintain adequate cash inflow from our operating activities and adequate external financing. If we are unable to maintain our sources of funding in a timely manner and on reasonable terms, or at all, we may face liquidity issues and our business, financial condition and results of operations may be materially and adversely affected.

### **We had loss-making projects during the Track Record Period**

During the Track Record Period, we had a total of one, nine, two and nil loss-making projects for 2019, 2020, 2021 and 4M2022 respectively. We recorded losses in those projects primarily due to (i) higher costs incurred in order to enter into a cooperation with a well known online media channel; (ii) the various lockdown restrictions during COVID-19 outbreak in the PRC which resulted in the reduction of sponsorship from customers for the corresponding content marketing projects hosted; (iii) additional employee costs incurred for the operation of the project; and (iv) change in cooperation policy by an online media channel. For further information of our loss-making projects, please refer to the section headed "Business — Our Projects — Projects by Customers' Industry" in this prospectus.

We cannot guarantee that we will not have loss-making projects in the future. If our projects suffer losses due to unforeseen situations or due to circumstances outside of our expectations, our financial condition and results of operations may be materially and adversely affected.

## RISK FACTORS

### **We are uncertain about the recoverability of our deferred tax assets, which may affect our financial position in the future**

As at 31 December 2019, 2020 and 2021 and 30 April 2022, our deferred tax assets amounted to RMB1.5 million, RMB4.7 million, RMB4.9 million and RMB7.1 million, respectively, which primarily represent the allowance for impairment losses of certain accounts receivables and unused tax losses from our group companies. For details of the movements of our deferred tax assets during the Track Record Period, please refer to Note 30 in the Accountants' Report in Appendix I to this prospectus. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. This requires significant judgement on the tax treatments of certain transactions and also assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered. We cannot guarantee the recoverability or predict the movement of our deferred tax assets, and to what extent they may affect our financial positions in the future.

### **Our intangible assets at amortised cost may become impaired and the amortisation cost incurred could materially and adversely affect our results of operation and financial condition**

As at 31 December 2019, 2020 and 2021 and 30 April 2022, we had intangible assets of RMB0.4 million, RMB0.3 million, RMB87.6 million and RMB92.1 million, respectively, which primarily consisted of computer software and copyright licences of IPs purchased by our Group for the provision of SaaS interactive marketing services. After initial recognition, we determine whether intangible assets are impaired on an annual basis or more frequently if events or changes in circumstance indicate that the carrying amount of these assets exceeds its recoverable amount. As a result, our evaluations in the future on intangible assets at amortised cost may result in material impairment charges that would have a material impact on our financial condition and results of operations. Further, increased acquisition of intangible assets will increase our amortisation costs to be recognised during the relevant period of time which may have a material adverse impact on our results of operation and financial condition.

### **Failure to fulfil our obligations in respect of contract liabilities could materially and adversely affect our results of operation, liquidity and financial position**

Our contract liabilities primarily represent advance payments we received from our customers. As at 31 December 2019, 2020 and 2021 and 30 April 2022, we had contract liabilities of RMB1.2 million, RMB3.3 million, RMB15.5 million and RMB9.6 million, respectively. For further details, please refer to the section headed "Financial Information — Selected Balance Sheet Items — Contract Liabilities" in this prospectus.

## RISK FACTORS

There is no assurance that we will be able to fulfil our obligations in respect of contract liabilities as the completions of our marketing services projects are subject to various factors, such as the development of COVID-19 in the PRC as certain COVID-19 restrictions may prevent us from executing certain of our marketing services projects. If we were not able to fulfil our obligations with respect to our contract liabilities, the amount of contract liabilities will not be recognised as revenue, and we may have to return the advance payment made by our customers. As a result, our results of operations, liquidity and financial position may be materially and adversely affected.

**We engage third party suppliers or service providers to provide various products and services. Their failure to provide us with timely and high quality products or services may materially and adversely affect our business operations**

In the provision of integrated marketing solutions services to our customers, we are generally responsible for any supply we procure or services which we subcontract out to a third party service provider. For example, when we are engaged by our customers to plan and host an event, we may procure props and material and equipment from third party suppliers or subcontract various components to third party service providers such as general venue set up services. Timely supply of the products and provision of services are important to the success of the event.

If there is material delay or disruption to the supply or provision of products or services or if the quality of the products or services provided are not up to our required standards, we may not be able to completely fulfil the scope of work or to the required standard as agreed under the contracts with our customers. This could have a negative impact on our brand and reputation, and consequently on our business operations. Further, if any service provider failed to obtain or maintain any requisite approvals, permits, registrations or filings for the services provided, it could also have a negative impact on our reputation, and consequently on our business operations.

**We utilise KOLs in our business and their inappropriate actions or non-compliance with relevant laws, regulations, rules and policies may materially and adversely affect our business operations and financial conditions**

Our digital marketing services typically involve marketing and advertising our customers' brands and products on various online media channels and we may utilise KOLs in such marketing and advertising. The end-customers of our customers may associate the brand image of our customers with the image of these KOLs. Our customers' reputation could therefore be potentially damaged from their inappropriate actions or online posts which are beyond our control. In turn, through our utilisation of these KOLs, our reputation could also be damaged.

Further, with the continuous development and growth in the use of KOLs in the PRC, the government may issue and promulgate new regulations and laws from time to time to encourage a healthy and orderly development of such market. If the KOLs failed to comply with the relevant laws, regulations, rules and policies promulgated from time to time, they may negatively impact our and our customers' reputations and may cause loss to us and our customers.

## RISK FACTORS

We cannot guarantee the KOLs we utilise will act appropriately or comply with the relevant laws, regulations, rules and policies at all times. If they failed to do so, our and our customers' reputations and brand image may be tarnished and our and our customers' business operation and financial condition may be materially and adversely affected.

**Any significant increase in costs of materials or services, in particular media advertising resources costs, required in the provision of our integrated marketing solutions services or our inability to pass the increased costs onto our customers may adversely affect our profitability**

Our cost of revenue primarily consists of media advertising resources costs, production costs, equipment rental costs, staff costs, SaaS costs and other costs, among which, media advertising resources costs contributed to a significant portion of our total cost of revenue and accounted for approximately 45.4%, 51.1%, 52.0% and 52.5% of our total revenue for each year/period during the Track Record Period, respectively. Our media advertising resources costs primarily consist of marketing rights from IP contents providers, cost of obtaining advertising resources from advertising media channels or their agents and other media technical and execution costs.

We cannot assure you that we can anticipate future trends that may significantly increase our media advertising resources costs in order to match with the trend and remain competitive in the market. Changes in end-user behaviour/preference and industry changes resulting from technological developments may adversely affect us. For example, the number of people accessing the internet through mobile devices, including mobile phones, tablets and other hand-held devices, has increased in recent years, and we expect this trend to continue with 4G, 5G and more advanced mobile communications technologies being or become broadly implemented. Such changes may result in higher costs for obtaining advertising resources from advertising media channels and other media advertising companies in order to acquire resources that are compatible with the new technologies. In addition, the widespread adoption of new internet, networking or telecommunications technologies or other technological changes could require substantial expenditures to modify or integrate our marketing services to keep up with the trend and remain competitive.

If there is an increase in costs of materials or services, in particular media advertising resources costs, required in the provision of our integrated marketing solutions services and we are not able to pass the increased costs onto our customers, our profitability and hence financial performance will be adversely affected.

**Challenges to our right to collect and use data collected from third parties could significantly diminish the value of our services and cause us to lose our customers, and harm our business and results of operations**

We currently depend on media channels and cloud server provider to provide us with certain advertising data which include data in relation to operational data (such as characteristics of audience, number of clicks and other exposure statistics of the advertisements) for us to provide data analysis and advertising performance evaluation services to our customers. Media channels and cloud server provider may refuse to share



## RISK FACTORS

or provide to us their data. Operating systems or certain user-end apps may also pose technical restrictions on media channels and cloud server provider's ability to legally collect device specific data. Interruptions, failures or defects in their data collection systems, as well as privacy concerns regarding the collection of device specific data, could also limit our ability to analyse such device specific data.

In addition, there is no assurance that the government will not adopt legislation that prohibits or limits collection of device specific data on the internet and the use of such data, or that third parties will not bring lawsuits against the media channels and cloud server provider relating to internet privacy and data collection, which would in turn affect our usage of data. Due to the recent development of laws and regulations on data protection and privacy, certain companies may be subject to more stringent requirements on data sharing with third party, which may limit our ability to collect data from them.

If any of the above happens, we may be unable to effectively provide our services and lose our customers, and our business, financial condition and results of operations would be adversely affected. Lawsuits or administrative inquiries could also be costly and divert management resources, and the outcome of such lawsuits or enquiries may be uncertain and may harm our business.

### **If our suppliers transact with our customers directly, we may be exposed to the risk of disintermediation**

As an integrated marketing solutions provider, we help our customers promote their brand and products, in which we utilise our suppliers' resources, such as online and traditional advertising channels, for our marketing solution services. If any of our suppliers have taken measures to acquire or establish its own content creation team which enables it to transact directly with our customers, there may be a risk that our suppliers would directly transact with our customers circumventing our services. In addition, if our customer has been acquired by our suppliers, the customer may place advertisement on the online media channel and traditional media channels directly. In the event that our suppliers acquire our customers or our suppliers establish their own content creation function in future similar to those currently offered by us, our customers may also transact with our suppliers directly and cease to transact with us. Occurrence of such events may expose us to the risk of disintermediation, and our business, results of operations and financial position would be materially and adversely affected.

### **We rely on services from third-party IT service providers to conduct our SaaS interactive marketing service and any interruptions or delays in such services due to third parties may impair our customers' experience**

We rely on third party cloud server provider in the provision of our SaaS interactive marketing service. In addition, we also procured other IT services from third party service providers such as software development services, H5 production services and data intelligence solution services. If we need to switch our cloud server provider due to any reasons, it may be costly and time-consuming to migrate from one cloud server provider to another. If we lose temporarily access to such cloud servers during the transition period, our operations of our SaaS interactive marketing service would be materially and adversely affected.

## RISK FACTORS

Further, as our Content Engine platform relies on third party cloud servers, if the third party cloud servers are subject to system disruptions and distributed denial of service (DDoS) attacks, a technique used by hackers to take an internet service offline by overloading its servers, we cannot assure you that any applicable recovery system, security protocol, network protection mechanisms or other defence procedures of the third party cloud server provider are, or will be, adequate to prevent such network or service interruptions, system failures or data losses. Additionally, their infrastructure and systems may also be breached if any vulnerabilities therein are exploited by unauthorised third parties. A DDoS attack, other hacking and phishing attack or security breach could delay or interrupt our services to our customers. Any actual or perceived attacks or security breaches may also damage our reputation and brand, expose us to risks of potential litigation and liabilities. Further, our customers may lose confidence in the security of our products as a whole, which would have a material adverse impact on our ability to retain existing customers and attract new ones.

**We are subject to complex and evolving laws, regulations and governmental policies regarding data protection. Actual or alleged failure to comply with data protection laws, regulations and governmental policies could damage our reputation, deter current and potential customers from using our products and services and could subject us to significant legal, financial and operational consequences**

In recent years, data protection has become an increasing regulatory focus of government authorities across the world. The PRC Government has enacted a series of laws, regulations and governmental policies for the protection of data security in the past few years. Such regulatory requirements on data privacy are constantly evolving and can be subject to varying interpretations, or significant changes, resulting in uncertainties about the scope of our responsibilities in that regard. For example, on 10 June 2021, the NPCSC promulgated the PRC Data Security Law (《中華人民共和國數據安全法》) (the “**Data Security Law**”), which took effect in September 2021. The Data Security Law provides for a security review procedure for the data activities that may affect national security.

On 14 November 2021, the Cyberspace Administration of China publicly solicited opinions on the Regulations on the Administration of Cyber Data Security (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》) (the “**Draft Data Security Regulations**”). According to the Draft Data Security Regulations, data processors shall, in accordance with relevant state provisions, apply for cybersecurity review when carrying out the following activities: (1) the merger, reorganisation or separation of internet platform operators that have acquired a large number of data resources related to national security, economic development or public interests, which affects or may affect national security; (2) data processors intend to list abroad that handle personal data of more than one million people; (3) data processors intend to list in Hong Kong, which affects or may affect national security; and (4) other data processing activities that affect or may affect national security.



## RISK FACTORS

However, the Draft Data Security Regulations provide no further explanation or interpretation for the meaning of “affects or may affect national security”. In addition, the Draft Data Security Regulations also regulate other specific requirements in respect of the data processing activities conducted by data processors through internet in view of personal data protection, important data safety, data cross-broader safety management and obligations of Internet platform operators. For example, the processors of important data or data processors who are listed overseas shall carry out data security assessments by themselves or by entrusting data security service agencies every year, and submit the previous year’s data security assessment report to the cyberspace administration at the county-level city before 31 January of each year.

As at the Latest Practicable Date, the Draft Data Security Regulations had not come into effect and the public comment period of the Draft Data Security Regulations had ended on 13 December 2021. We cannot predict the impact of the Draft Data Security Regulations, if any, at this stage, and we will closely monitor and assess any development in the rule-making process. It remains uncertain whether the Draft Data Security Regulations will be applicable to our business or whether the future regulatory changes would impose additional restrictions on companies like us.

If the enacted version of the Draft Data Security Regulations mandate clearance of cybersecurity review and other specific actions to be completed by companies like us, we may face uncertainties as to whether such clearance can be timely obtained, or at all. Failure to comply with the cybersecurity and data privacy requirements in a timely manner, or at all, may subject us to government enforcement actions and investigations, fines, penalties, suspension of our non-compliant operations, among other sanctions.

On 28 December 2021, thirteen government departments including the Cyberspace Administration of China jointly promulgated the Cybersecurity Review Measures (《網絡安全審查辦法》) (the “**2022 Review Measures**”). The 2022 Review Measures became effective on 15 February 2022, and the Cybersecurity Review Measures promulgated on 13 April 2020 was repealed simultaneously. Under the 2022 Review Measures, (i) critical information infrastructure operators are required to conduct a pre-assessment and determination as to whether the network products and services to be procured have or may have potential national security bearing and have affected or may have affected national security, and must apply for cybersecurity review with the Cybersecurity Review Office; (ii) online platform operators controlling personal information of more than one million users, which are listing in a foreign country, must apply for cybersecurity review with the Cybersecurity Review Office; and (iii) the Cybersecurity Review Office will conduct cybersecurity review on critical information infrastructure operators and network platform operators in accordance with the laws if it considers necessary.

On 7 January 2022, our PRC Legal Adviser made enquiries with the Cyberspace Administration of China by phone on whether the Company would be required to file a cybersecurity review under the 2022 Review Measures for its Listing in Hong Kong as it is unclear whether the aforementioned cybersecurity review requirement for “listing in a foreign country” applies to the Company’s Listing in Hong Kong. The Cyberspace Administration of China replied that Hong Kong does not fall within the scope of a “foreign country” and thus the Company’s Listing is not required to file a cybersecurity

## RISK FACTORS

review under the 2022 Review Measures. However, since the Cybersecurity Review Measures was promulgated recently, there is uncertainty about the interpretation and implementation of the measures. Failure to complete the cybersecurity review may result in fines or other penalties (such as required rectification, cessation of relevant business) and reputational damage, or legal proceedings or actions against us, which may adversely affect our business, financial condition and results of operations.

The laws and regulations regarding data protection in China are generally complex and evolving, with uncertainty as to the interpretation and application thereof. As such, we cannot assure you that our data protection measures are, and will be, always considered sufficient under applicable laws and regulations. Additionally, the integrity of our data protection measures is also subject to system failure, interruption, inadequacy, security breaches or cyber-attacks. If we are unable to comply with the then applicable laws and regulations, or to address any data protection concerns, such actual or alleged failure could damage our reputation, deter existing and potential customers from using our services and products and could subject us to significant legal, financial and operational consequences.

### **We rely on our cooperation arrangement with NetEase for our digital marketing service**

For digital marketing, the primary cost is the costs of obtaining advertising resources from advertising channels. To secure advertising resources, we entered into cooperation agreements with NetEase (網易) whereby we pay a fixed fee periodically in exchange for the rights to sell certain advertising resources in certain cities in the PRC, such as Xiamen city and Zhangzhou city, to our customers.

As our cooperation agreement with NetEase (網易) is generally signed on an annual basis, there is no guarantee that we will be able to sign a new agreement with NetEase (網易) on similar terms or at all. If we are unable to sign a new agreement with NetEase (網易) on similar terms or terms acceptable to us, our revenue and gross profit margin from digital marketing service may be materially and adversely affected.

Further, we pay a fixed fee periodically to NetEase (網易) for the cooperation arrangement we have with them regardless of whether we have fully utilised the advertising resources under such arrangement. As such, if we are unable to secure sufficient customers' demand to utilise NetEase (網易), we may incur losses for our projects. For example, we extended our cooperation arrangement with NetEase (網易) to Shangrao city, Jiangxi Province in 2020. Nevertheless, the performance in Shangrao city did not meet our initial expectation in the fourth quarter and thereby resulted in lower gross profit margin in 2020. If we fail to secure sufficient customers' demand to utilise NetEase (網易) under the cooperation arrangement, our gross profit margin, financial condition and results of operations may be materially and adversely affected.

## RISK FACTORS

**We utilise SaaS agents to market and sell our SaaS interactive marketing services. If we are unable to develop and maintain successful relationships with our SaaS agents, our SaaS interactive marketing services may not grow at the rate expected or at all and our business, operating results, and financial condition could be adversely affected**

As at 30 September 2022, our Content Engine platform had over 8,000 user accounts. Revenue generated from our SaaS interactive marketing services through our SaaS agents accounted for approximately 3.0% of our total revenue from our SaaS interactive marketing services segment for 4M2022 and approximately 0.2% of total revenue for 4M2022. Although the revenue contributable to our SaaS agents was not significant during the Track Record Period, we believe it is important to identify, develop, and maintain stable relationships with our SaaS agents in order to drive our revenue growth.

While we intend to continue dedicating resources to identifying, developing and maintaining stable relationships with our SaaS agents, we cannot assure you that our existing or prospective SaaS agents will strictly comply with the terms of our agreements with them. They may also cease marketing and selling our SaaS interactive marketing services with limited or no notice. If we fail to maintain stable relationship with existing SaaS agents or identify additional SaaS agents in a timely and cost-effective manner, or at all, our business, results of operations, and financial condition could be materially and adversely affected.

If our SaaS agents do not effectively market and sell our SaaS interactive marketing services, or fail to meet the needs of our users of our Content Engine, our reputation among prospective and existing customers and users of our Content Engine and ability to grow our SaaS interactive marketing services business may also be materially and adversely affected.

**Our Group's business are affected by seasonality and our financial performance for part of a year may not be indicative of our full year's performance**

Our Group's business is subject to seasonality. We typically record higher sales and gain momentum in the fourth quarter as some of the major holidays (e.g., Mid-autumn Festival, National Day, Christmas) and high-profile digital platform sale campaigns (e.g., Double 11 Singles' Day, Double Twelve) fall in the fourth quarter and brand owners may focus their promotion and marketing on sale campaigns associated with these holidays. As such, financial information of our Group for part of a financial year may not be indicative of our Group's performance for the entire financial year. Please refer to the section headed "Business — Seasonality" in this prospectus for further information.

**Our business is exposed to the risk of infringement by third parties of the IP rights utilised in our projects**

For our content marketing business service, we provide marketing services through projects utilising unique IP contents. Any infringement or passing off by third parties of such IP rights may adversely affect our Group's business and financial condition and results of operations.

## RISK FACTORS

Additionally, we may rely on a combination of copyright, trademark and trade secret laws and restrictions on disclosure to protect our IP rights. Despite our efforts to protect our proprietary rights, third parties may attempt to copy or otherwise obtain or use our IP contents. Monitoring unauthorised use of IP contents is difficult and costly, and the steps we have taken may be inadequate to prevent the infringement or misappropriation of our IP rights. We may have to resort to litigation to enforce our IP rights, which could result in substantial costs and diversion of our resources, and thus may materially and adversely affect our business. We provide no assurance that we will prevail in such litigation, and even if we do prevail, we may not obtain a meaningful recovery.

### **We may be subject to IP infringement claims or other allegations by third parties, which may materially and adversely affect our business and results of operations**

We cannot be certain that our operations do not or will not infringe upon or otherwise violate IP rights or other rights held by third parties. We may in the future be subject to legal proceedings and claims from time to time relating to the IP rights or other rights of third parties.

Additionally, there may be third party IP rights or other rights that are infringed by our products, services or other aspects of our business without our awareness. If any third-party infringement claims are brought against us, we may be forced to divert management's time and other resources from our business and operations to defend against these claims, regardless of their merits.

The application and interpretation of the PRC's IP laws, the procedures and standards for granting trademarks, copyrights, know-how or other IP rights in the PRC, and the laws governing personal rights are still evolving and remain uncertain, and we cannot assure you that PRC courts or regulatory authorities would rule in favour of us in the event of dispute.

If we were found to have violated the IP rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such IP or relevant contents, and we may incur licensing or usage fees or be forced to develop alternatives of our own. As a result, our reputation may be harmed and our business and financial performance may be materially and adversely affected.

### **Any termination of, or changes to, the preferential tax treatments that we have enjoyed or intend to apply could adversely affect our profitability**

We enjoyed certain preferential tax treatments in relation to our operations during the Track Record Period. Please refer to the section headed "Financial Information — Key Components of Our Consolidated Statements of Profit or Loss — Income Tax Expense" in this prospectus for more information. For each year/period during the Track Record Period, the effect of tax concession granted to our PRC subsidiaries amounted to RMB6.7 million, RMB4.2 million, RMB5.4 million and RMB1.9 million, respectively. Our weighted average applicable tax rate was 18.8%, 14.0%, 18.4% and 20.1% for each period during the Track Record Period.

## RISK FACTORS

We intend to continue to apply for preferential tax treatments to the extent available. However, there is no guarantee that we can continue to enjoy the preferential tax treatments which we had previously enjoyed during the Track Record Period, that no further change will be made to the PRC tax policies or that the preferential enterprise income tax rates that we currently enjoy will not otherwise be challenged, altered or discontinued. Any change, suspension or termination of these preferential tax treatments could materially and adversely affect our financial condition, results of operations and cash flows.

**The discontinuation of any government grants currently available to us could adversely affect our results of operations, cash flow and prospects.**

During the Track Record Period, we have benefited from government grants and subsidies. For each year/period during the Track Record Period, we recorded under other revenue RMB4.9 million, RMB3.3 million, RMB3.1 million and RMB2,000 of government grants, respectively. For more details on government grants and subsidies recognised in our profit or loss, please refer to the section headed “Financial Information — Key Components of Our Consolidated Statements of Profit or Loss — Other Revenue” in this prospectus.

Our eligibility to receive these government grants and subsidies requires that we continue to qualify for them. The government grants and subsidies are provided to us at the discretion of the central government or relevant local government authorities, which could determine at any time to eliminate or reduce these government grants and subsidies, generally with prospective effect. Since our receipt of the government grants and subsidies is subject to periodic time lags and changing government practice, as long as we continue to receive these government grants and subsidies, our net income in a particular period may be higher or lower relative to other periods depending on the potential changes in these government grants and subsidies in addition to any business or operational factors that we may otherwise experience. The discontinuation of government grants and subsidies currently available to us could have a material adverse effect on our financial condition, results of operations, cash flows and prospects.

**We rely on the extensive experience of our executive Directors and senior management in the retail, media and/or marketing industries. We also rely on our ability to attract and retain qualified design, marketing, information technology and project management personnel. If we lose their services, our business may be adversely affected**

Our success is, to a large extent, attributable to the vision and leadership of our executive Directors and the continued commitment of the members of our senior management. We believe that the extensive experience of our management team, their industry knowledge, in-depth understanding of the market and well-established relationships with our customers, suppliers and business associates, enable us to assess the market trends and requirements of our customers, as well as to evaluate and manage our customers efficiently. There can be no assurance that our Group will be able to retain their services and to continually leverage their leadership skills. If we are unable to retain their services or replace with suitable personnel on a timely and commercially viable

## RISK FACTORS

basis, it may result in the loss of strategic leadership and disruption or delay to our business operations, which could have a material adverse effect on our Group's business, operations and financial condition.

In addition, our continued success will also depend on our ability to attract and retain qualified design, marketing, information technology, and project management personnel to manage our existing operations and future growth. We may not be able to successfully attract or retain the personnel that we may require. In addition, we may need to offer superior compensation and other benefits in order to attract and retain talented personnel in the future, and we therefore cannot assure you that we will have the resources to fully achieve our staffing needs. Our failure to attract and retain talented personnel could have a negative impact on our ability to maintain our competitive position and to grow our business.

### **Our business strategies and future plans may not materialise and may expose our Group to business and financial risks**

Our business strategies and future plans as set out in the sections headed "Business — Our Strategies" and "Future Plans and Use of Proceeds" represent the targets, objectives, and future plans of our Group. Such targets, objectives, and future plans are by their nature subject to uncertainties and risks and our Group's actual course of business may vary from our business strategies and future plans as set out in this prospectus, depending on whether all the assumptions will hold true in the future and whether new circumstances which did not exist when the business strategies and future plans were determined by our Directors will arise in the future. As such, there can be no guarantee that the future plans of our Group will materialise or that our business strategies will be successfully implemented. Further, we cannot give assurance that our resources will be adequate to support our future growth. Failure to execute our expansion plans and strategies effectively may lead to increased costs and reduced profitability, which could in turn have a material adverse effect on our business, financial condition and results of operations.

### **We experienced fluctuation in our financial performance and our historical results may not be indicative of our future financial performance**

For each year/period during the Track Record Period, our revenue amounted to RMB391.0 million, RMB308.4 million, RMB353.3 million and RMB143.8 million, respectively and our profit for the year/period amounted to RMB80.0 million, RMB31.8 million, RMB64.7 million and RMB15.3 million, respectively. Our historical financial performance may not be an accurate reflection of our future financial performance. Our historical operations largely depend on our ability to retain existing customers and attract new customers and take advantage of any growth in the relevant markets. Further, our historical performance was also affected by the COVID-19 pandemic during the Track Record Period. Please refer to the paragraph headed "— Our business may continue to be adversely affected by the COVID-19 pandemic or any occurrence of natural disasters" in this section of this prospectus for further information.



## RISK FACTORS

Therefore, period-to-period comparisons of our operating results during the Track Record Period may not be indicative of our future performance and you should not rely on them to predict the future performance of our operating results or the price of our Shares. There is no guarantee that our Group can continue to achieve the same or higher level of financial performance as we did during the Track Record Period in the future.

### **Our insurance coverage may not be sufficient to cover all risks involved in our business operations**

Our operations are subject to risks typically associated with the provision of integrated marketing solutions services. Please refer to the section headed “Business — Insurance” for details relating to our insurance coverage.

There is no assurance that our current insurance coverage will be able to cover all types of risks involved in our business operations, or be sufficient to cover the full extent of loss or liability for which we may be held liable. Any event that is not insured and any loss or liability that exceeds the limit or is excluded from the scope of our existing insurance policies may materially and adversely affect our business, results of operations and financial condition.

### **Our business and industry are subject to global economic and market conditions**

Our industry and our business are substantially affected by the global economic and market conditions. The economy has a direct impact on the way businesses allocate their marketing and advertising resources. During tough economic times, companies often cut marketing and advertising costs because these are discretionary costs.

The demand for integrated marketing solutions is dependent on our customers’ engagement levels in the promotion of marketing and advertising services. For example, if the industries which our customers are from suffer a downturn or be affected by fluctuations in the macroeconomic conditions, the branding and marketing budgets of brand owners in such industries who conduct their business with us may be adversely affected. Our sales in integrated marketing solutions services would also be adversely affected if our customers are less willing to host events, shows, exhibitions, etc., as a result of tightened marketing budgets due to economic downturn. This would have an impact on our business and financial performance.

### **We may not be able to continue to use certain properties that are currently used by us or may face fines in relation to leased properties**

Under PRC laws and regulations, property lease agreements must be filed with the local housing authorities. As at the Latest Practicable Date, we had not filed our lease agreements of any of the properties we leased. As advised by our PRC Legal Adviser, the non-registration of lease agreements does not affect the validity of such lease agreements. However, we might be ordered to rectify such non-filing by the competent authorities and if we fail to rectify within the prescribed period, a penalty of RMB1,000 to RMB10,000 per lease agreement may be imposed on us as a result of such non-filing.

## RISK FACTORS

As at the Latest Practicable Date, with respect to two of our leased properties, the relevant lessors had not provided us with valid property ownership certificates and could not prove their ownership of the leased properties or their right to lease out the properties. Further, with respect to one of our leased properties, the relevant lessor could not provide the landlord's consent to sublet the property to us and therefore could not prove their right to lease out the property to us. All such leased properties were used as offices. As advised by our PRC Legal Adviser, if the lessors of the leased properties do not have the requisite rights to lease the relevant properties, the relevant leases may be deemed invalid, and we may be forced to vacate the relevant properties and relocate our offices. We may incur additional expenses during the process, and our business, financial condition and results of operations may be adversely affected.

### **We may be subject to potential disputes in relation to the Business Transfer**

In preparation for the Listing, we undertook the Reorganisation and carried out the Business Transfer on 1 December 2021, pursuant to which all of the assets and liabilities of Xiamen Many Idea and Beijing Many Idea, including their respective customers, contracts on hand, staff, and intellectual properties, etc., except for (i) non-transferable items (including certain assets and liabilities such as Xiamen Vision and Xiamen Advertising which were accounted for as financial assets at fair value through Other Comprehensive Income (“OCI”), income tax payables, and borrowings, which are either not related to our Group's business or non-transferrable in nature, and (ii) the ICP Licence and the Radio and TV Programme Production and Operation Licence attached to Xiamen Many Idea and Beijing Many Idea the holding of which by foreign companies are restricted in the PRC, were transferred to our Group for a consideration of RMB370 million. Having considered, among others, our present needs and near-term strategic plan to further develop our SaaS interactive marketing business and such licences are not necessary, we have decided to implement the Business Transfer to streamline the corporate structure by focusing efforts on developing our prevailing principal businesses. As a result of the Reorganisation and following the completion of the Business Transfer, Xiamen Many Idea was excluded from our Group and Mr. Xue Lining (“**Mr. Xue**”) does not have any equity interests in our Company nor any of its subsidiaries.

Mr. Xue, a passive investor in Xiamen Many Idea, is one of the shareholders of Xiamen Many Idea. He is interested in approximately 16.88% of the equity interest in Xiamen Many Idea, which has been subject to an asset freeze by the Public Security Bureau of Xiamen City (the “**Frozen Equity Interests**”) since 19 October 2018 due to an ongoing criminal investigation on Mr. Xue. Based on the list of shareholders retrieved from China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司) as of the Latest Practicable Date, the Frozen Equity Interests have not been released from such asset freeze. While a majority of the shareholders of Xiamen Many Idea become our Shareholders after the Reorganisation which has been duly approved by the shareholders' meeting and the board meeting of Xiamen Many Idea, we cannot guarantee that Mr. Xue who was not present at the relevant shareholders' meeting of Xiamen Many Idea, will not challenge the legality and validity of the Business Transfer, or the sufficiency of the consideration of the Business Transfer. For further information on the Frozen Equity Interests and the Business Transfer, please refer to the section headed “History, Reorganisation and Corporate Structure” in this prospectus. Any claims and legal actions



## RISK FACTORS

against us may lead to legal or other proceedings or cause negative publicity, thereby resulting in damage to our reputation, substantial legal expenses as well as diversion of resources and management's attention from our business activities. Any such dispute, claim or proceeding may have a material adverse effect on our business, financial position and results of operations.

### **RISKS RELATING TO DOING BUSINESS IN THE PRC**

#### **PRC economic, political, social conditions as well as government policies could adversely affect our business, prospects, financial condition and financial results**

We conduct the majority of our business operations in the PRC and therefore our business, prospects, financial condition and financial results could be influenced by, among others, (i) political structure; (ii) level of the PRC government involvement and control; (iii) growth rate and level of development; (iv) level and control of capital investment and reinvestment; (v) control of foreign exchange; and (vi) allocation of resources. We cannot predict whether changes in the PRC's economic, political and social conditions and its laws, regulations and policies will have any adverse effect on our current or future business, financial condition or results of operations.

In addition, many of the economic reforms carried out by the PRC government are unprecedented or experimental and are expected to be refined and improved over time. Such refining and adjustment process, if any, may not necessarily have a positive effect on our operations and business development. The PRC government has in the past implemented a number of measures intended to curtail certain segments of the economy, which the government believed to be overheating. These actions, as well as other policies of the PRC government, could cause a decrease in the overall level of economic activity in the PRC and, in turn, have an adverse impact on our business and financial condition.

#### **We rely on dividends and other distributions from our PRC subsidiaries to fund our cash and financing requirements, and any limitation on the ability of our subsidiaries to make payments to us could materially and adversely affect our ability to conduct our business**

As an offshore holding company, we rely in part on dividends from our PRC subsidiaries for our cash requirements, dividends payments and other distributions to our Shareholders, and to service any debt that we may incur and pay our operating expenses. The ability of our PRC subsidiaries to distribute dividends is regulated by the PRC law. In particular, under the PRC law, each of our PRC subsidiaries may only pay dividends after 10% of their net profit has been set aside as statutory reserve funds, unless such statutory reserves have reached at least 50% of its registered capital. The statutory reserves are not available for distribution to us, except in liquidation. Also, the calculation of distributable profits under the PRC accounting standards differs in many aspects from the calculation under the HKFRSs.

## RISK FACTORS

As a result, our subsidiaries in the PRC may not be able to pay any dividends in a given year to us if it does not have distributable profits as determined under the PRC accounting standards, even if it may have profits for that year as determined under HKFRSs. Limitations on the ability of our PRC subsidiaries to remit their entire after-tax profits to us in the form of dividends or other distributions could adversely affect our ability to grow, make investments that could be beneficial to our business, pay dividends and otherwise fund and conduct our business. We cannot assure that our subsidiaries will generate sufficient earnings and cash flows to pay dividends or otherwise distribute sufficient funds to us to enable us to pay dividends to our Shareholders.

### **Dividends payable by us to our foreign investors and any gain on the sale of our Shares may become subject to withholding taxes under the PRC tax laws**

Under the EIT Law, and its implementation rules, PRC withholding tax at the rate of 10% is generally applicable to dividends from PRC sources paid to investors that are “non-resident enterprises”, which do not have an establishment or place of business in China, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gain realised on the transfer of shares by such investors is subject to 10% PRC income tax if such gain is regarded as income derived from sources within China. Under the relevant PRC tax laws, dividends from sources within China paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realised by such investors on the transfer of shares are generally subject to 20% PRC income tax. Any such PRC tax liability may be reduced by the provisions of an applicable tax treaty.

As substantially all of our business operations are in China, it is unclear whether dividends we pay with respect to our Shares, or the gain realised from the transfer of our Shares, would be treated as income derived from sources within China and as a result be subject to PRC income tax if we are considered a PRC resident enterprise. If PRC income tax is imposed on gains realised through the transfer of our Shares or on dividends paid to our non-resident investors, the value of your investment in our Shares may be materially and adversely affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with China may not qualify for benefits under such tax treaties or arrangements.

### **Our dividend income from our foreign-invested PRC subsidiaries may be subject to a higher rate of withholding tax than that which we currently anticipate.**

Under the EIT Law and EIT Rules, if a foreign entity is deemed to be a “non-resident enterprise” as defined under the EIT Law, a withholding tax at the rate of 10% will be applicable to any dividends payable to the foreign entity unless otherwise reduced or exempted by relevant tax treaties or similar arrangements. According to the Arrangement between the Mainland of China and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Incomes (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排), dividends paid by a PRC foreign-invested enterprise to its shareholder(s) incorporated in Hong Kong will be subject to withholding tax at a rate of 5% if the Hong Kong company

## RISK FACTORS

directly holds 25% or more interest in the PRC foreign-invested enterprise. The SAT promulgated the Notice of the SAT on issues regarding Beneficial Owner under Tax Treaties (關於稅收協定中「受益所有人」有關問題的公告) (the “Circular 9”) on 3 February 2018, which addresses the methods to determine the “beneficial owners” under the treaty articles on dividends, interest and royalties.

It is possible, based on the abovementioned principles, that the PRC tax authorities would not consider our Hong Kong subsidiary as the “beneficial owner” of any dividends paid from our PRC subsidiaries and would deny the claim for the reduced rate of withholding tax. Under the current PRC tax law, this would result in dividends from our PRC subsidiaries to our Hong Kong subsidiary being subject to PRC withholding tax at a 10% rate instead of a 5% rate. This would negatively impact us and it would impact our ability to pay dividends.

### **Fluctuations in the value of the RMB may have a material and adverse impact on your investment**

During the Track Record Period, we primarily operated in the PRC and our revenue and expenditures are primarily denominated in RMB. However, the proceeds of the Global Offering and any dividends we pay on our Shares will be in Hong Kong dollars. Depreciation in the RMB would adversely affect the value of our proceeds of the Global Offering and result to incur foreign exchange losses and the amount of any dividends we pay to our Shareholders, or require us to use more RMB funds to service the same amount of any foreign debt. The RMB exchange rates are affected by, among other things, changes in political and economic conditions and PRC’s foreign exchange regime and policy.

There are limited hedging instruments available in the PRC to reduce our exposure to exchange rate fluctuations, and the cost of the available hedging instruments may fluctuate significantly over time and can outweigh the potential benefit from the reduced currency volatility. As at the Latest Practicable Date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risks. In any event, the availability and effectiveness of these hedging instruments may be limited and we may not be able to hedge our exposure successfully, or at all.

### **The PRC government’s control over foreign currency conversion may adversely affect our business and results of operations and our ability to remit dividends**

The PRC government imposes controls on the convertibility of the RMB into foreign currencies through PRC foreign exchange regulations. It cannot be guaranteed that under a certain exchange rate, we shall have sufficient foreign exchange to meet our foreign exchange needs. Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licences to carry out foreign exchange business. Foreign exchange transactions under the capital account, however, normally need to be approved by or registered with the SAFE or its local branch unless otherwise permitted by law.

## RISK FACTORS

Under existing foreign exchange regulations, following the completion of the Global Offering, we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, we cannot assure you that these foreign exchange policies regarding payment of dividends in foreign currencies will continue in the future. In addition, any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or satisfy any other foreign exchange obligation. If we fail to obtain approvals from the SAFE to convert RMB into any foreign exchange for any of the above purposes, our business and results of operations may be materially and adversely affected.

### **Our business may be adversely affected by the introduction of new laws or changes to existing laws by the PRC government and uncertainties regarding interpretation and enforcement of the PRC laws and regulations**

Our business and operations in the PRC are governed by the legal system of the PRC. The PRC legal system is a codified system with written laws, regulations, circulars and administrative directives. Further, court decisions in the PRC do not have any binding effect on lower courts and it may be difficult to enforce judgements and arbitration awards in the PRC. Accordingly, the outcome of dispute resolutions may not be as consistent or predictable as compared to other more developed jurisdictions and it may be difficult to obtain swift and equitable enforcement of the laws in the PRC, or to obtain enforcement of a judgement by a court of another jurisdiction.

The PRC government has made significant progress in promulgating laws and regulations related to economic affairs and matters, such as corporate organisation and governance, foreign investments, commerce, taxation and trade. However, many of these laws and regulations are relatively new and there is a limited volume of published decisions. Therefore, there are uncertainties involved in their implementation and interpretation, which might not be as consistent and predictable as in other jurisdictions.

For example, two draft regulations relating to overseas listing, namely the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (《國務院關於境內企業境外發行證券和上市的管理規定(草案徵求意見稿)》) and Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (《境內企業境外發行證券和上市備案管理辦法(徵求意見稿)》), were released on 24 December 2021 for public comments. Pursuant to such draft regulations, domestic PRC companies that apply for overseas listing are required to, among others, file and report to the CSRC. Uncertainties exist regarding the final form of these regulations as well as the interpretation and implementation thereof after promulgation.

In addition, the PRC legal system is based in part on government policies and administrative rules that may have retroactive effect. Consequently, we may not be aware of any violation of these policies and rules until some time after such violation has occurred. Furthermore, the legal protection available to you under these laws, rules and regulations may be limited. Any litigation or regulatory enforcement action in the PRC may be protracted and could result in substantial costs and diversion of resources and management's attention.

## RISK FACTORS

### **There are uncertainties with respect to the application of PRC tax laws regulating the indirect transfers of assets (including equity interests) by us or our direct or indirect shareholders**

In February 2015, the SAT issued the Announcement on Certain Issues Concerning Enterprise Income Tax for Indirect Transfer of Assets by Non-Resident Enterprises (《關於非居民企業間接轉讓財產企業所得稅若干問題的公告》) (as amended on 17 October 2017 and 29 December 2017) (“Circular 7”) which abolished certain provisions in the Notice on Strengthening the Administration of Enterprise Income Tax on Non-Resident Enterprises (《關於加強非中國居民企業股權轉讓所得企業所得稅管理的通知》) (“Circular 698”), which was previously issued by the SAT in December 2009, as well as certain other rules providing clarification on Circular 698. On 17 October 2017, the SAT promulgated the Announcement on Matters Concerning Withholding and Payment of Income Tax of Non-resident Enterprises from Source (國家稅務總局關於非居民企業所得稅源泉扣繳有關問題的公告) (“SAT Circular 37”), which came into force and replaced certain provisions of Circular 7 and certain other rules or regulations on 1 December 2017. SAT Circular 37, among other things, simplifies the procedures of withholding and payment of income tax levied on non-resident enterprises.

Circular 7 provides comprehensive guidelines relating to, and also heightens the PRC tax authorities’ scrutiny over, indirect transfers by a non-resident enterprise of assets (including equity interests) of a PRC resident enterprise (“PRC Taxable Assets”). Circular 7 specifies that when a non-resident enterprise transfers PRC Taxable Assets indirectly by transferring equity interests in an overseas enterprise directly or indirectly holding such PRC Taxable Assets, the PRC tax authorities are entitled to reclassify the nature of such indirect transfer of PRC Taxable Assets as a direct transfer of PRC Taxable Assets, if such transfer is deemed to have been conducted for the purposes of avoiding PRC enterprise income taxes and without any other reasonable commercial purpose.

Although Circular 7 contains certain exemptions, it remains unclear whether any exemptions under Circular 7 will be applicable to the transfer of shares within our Group conducted by us or our direct/indirect shareholders, such as purchasing our shares in the open market, and selling such shares in a private transaction, or vice versa, or to any future acquisition conducted by us outside of PRC involving PRC Taxable Assets, or whether the Chinese tax authorities reclassify such transactions by applying Circular 7.

As a result, we face uncertainties as to the application of Circular 7 and/or SAT Circular 37, including reporting and other obligations with respect to certain past and future transactions where PRC Taxable Assets are involved, such as offshore restructuring, repurchase or subscription or sale of the shares in our offshore subsidiaries or investments. We may be subject to filing obligations or be taxed as the transferor, or subject to withholding obligations as the transferee, in the transactions. For transfer of our Shares by Shareholders that are non-PRC resident enterprises, our PRC subsidiaries may be requested to assist in filings and provision of materials under Circular 7 and/or SAT Circular 37. We may be required to allocate valuable resources to comply with all these requirements in Circular 7 and/or SAT Circular 37, or to establish that we should not be taxed under these rules, which may have a material adverse effect on our financial condition and results of operations.



## RISK FACTORS

### **We may be deemed to be a PRC tax resident under the EIT Law and our global income may be subject to a 25% PRC enterprise income tax**

We are a company incorporated under the laws of Cayman Islands. We conduct our business through our operating subsidiaries in the PRC. Pursuant to the EIT Law, if an enterprise incorporated outside the PRC has its “de facto management bodies” within China, such enterprise may be deemed as a “PRC resident enterprise” for tax purpose and be subject to an enterprise income tax rate of 25% on its global income. The EIT Rules define the term “de facto management bodies” as “bodies that have actual overall management and control over the business, personal, accounts and properties of enterprises”. Currently, all of our management is based in the PRC, and may continue to be based in the PRC in the future. If we are regarded as a PRC resident enterprise by the PRC tax authorities, we would have to pay PRC enterprise income tax at a rate of 25% for our entire global income, which may materially and adversely affect our profit and hence our retained profit available for distribution to our Shareholders.

### **The M&A Rules and certain other PRC regulations establish complex procedures for some acquisitions of domestic companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in the PRC**

The Provisions on Merger and Acquisition of Domestic Enterprises by Foreign Investor (《關於外國投資者併購境內企業的規定》), or the M&A Rules, adopted by six PRC regulatory authorities in 2006 and amended in 2009, and some other regulations and rules concerning mergers and acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex, including requirements in some instances that the MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of an affiliated PRC domestic enterprise.

Moreover, the Anti-Monopoly Law (《反壟斷法》) requires that the anti-trust governmental authority shall be notified in advance of any concentration of undertaking if certain thresholds are triggered. In addition, the Provisions of the Ministry of Commerce on the Implementation of the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《商務部實施外國投資者併購境內企業安全審查制度的規定》) issued by the MOFCOM that became effective in September 2011 specify that mergers and acquisitions by foreign investors that raise “national defence and security” concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise “national security” concerns are subject to strict review by the MOFCOM, and the rules prohibit any activities attempting to bypass security review, including by structuring the transaction through a proxy or contractual control arrangement. These laws and regulations are continually evolving as the newly enacted Foreign Investment Law took effect.

On 19 December, 2020, the Measures for the Security Review for Foreign Investment (《外商投資安全審查辦法》) was jointly issued by the NDRC and MOFCOM and took effect from 18 January 2021. The Measures for the Security Review for Foreign Investment specified provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, review scopes and procedures,

## RISK FACTORS

among others. In the future, we may grow our business by acquiring other integrated marketing solutions providers. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time consuming, and any required approval processes, including obtaining approval from the relevant governmental authorities, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

### **PRC regulations on loans to and direct investment by offshore holding companies in PRC entities may delay or prevent us from using the proceeds of the Global Offering to make loans or additional capital contributions to our PRC subsidiaries**

As an offshore holding company of our PRC subsidiaries, we may make loans to our relevant PRC subsidiaries, or we may make additional capital contributions to our PRC subsidiaries. Any loans to our PRC subsidiaries are subject to PRC regulations and foreign exchange loan registrations. For example, loans by us to our PRC subsidiaries to finance their activities cannot exceed statutory limits and must be registered with the SAFE or its local counterpart. We may also finance our PRC subsidiaries by means of capital contributions. According to the relevant PRC regulations on foreign-invested enterprises in the PRC, the increasing of capital contributions to our PRC subsidiaries is subject to the registration with relevant governmental authorities in the PRC. We expect that PRC laws and regulations may continue to limit our use of net proceeds from the Global Offering or from other financing sources. We may not be able to obtain these government registrations on a timely basis, if at all, with respect to future loans or capital contributions by us to finance our PRC subsidiaries. If we fail to receive relevant registrations, our ability to use the proceeds of the Global Offering and to capitalise on our PRC operations would be negatively affected which would adversely and materially affect our liquidity and our ability to expand our business.

### **PRC regulations relating to the establishment of offshore special purpose vehicles by PRC residents may subject our PRC resident Shareholders to personal liability, limit our PRC subsidiaries' ability to distribute profits to us, or otherwise adversely affect our financial position**

The SAFE promulgated Circular of the State Administration of Foreign Exchange on Issues concerning Foreign Exchange Administration over the Overseas Investment and Financing and Round-Trip Investments by Domestic Residents via Special Purpose Vehicles 《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》 (the “Circular 37”) on 4 July 2014 to replace the Circular of the SAFE on Relevant Issues Concerning Foreign Exchange Administration for Financing and Return Investments by Domestic Residents through Special-Purpose Overseas Companies 《國家外匯管理局關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知》 (the “Circular 75”). According to Circular 37, PRC residents (including PRC citizens and PRC enterprises) shall apply to the SAFE or its local bureau to register foreign exchange for overseas investments before contributing to special purpose vehicles (the “SPVs”) with legitimate domestic and overseas assets or rights and interests. In the event of any alteration in the basic information of the registered SPVs, such as the change of a PRC citizen shareholder, name and operating duration; or in the event of any alternation in key

## RISK FACTORS

information, such as increases or decreases in the share capital held by PRC citizens, or equity transfers, swaps, consolidations, or splits, the registered PRC residents shall timely submit a change in the registration of the foreign exchange for overseas investments with the foreign exchange bureaus.

On 13 February 2015, SAFE issued Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies 《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》 (the “Circular 13”), which states that the foreign exchange registration under domestic direct investment and the foreign exchange registration under overseas direct investment will be directly reviewed and handled by banks.

We may not at all times be fully aware or informed of the identities of all our beneficiaries who are PRC nationals, and may not always be able to compel our beneficiaries to comply with the requirements of the Circular 37 and the Circular 13. As a result, we cannot assure you that all of our Shareholders or beneficiaries who are PRC nationals will at all times comply with, or in the future make or obtain any applicable registrations or approvals required by Circular 37, Circular 13 or other related regulations. Under the relevant rules, failure to comply with the registration procedures set forth in Circular 37 may result in restrictions on the foreign exchange activities of the relevant PRC enterprise and may also subject the relevant PRC resident to penalties under the PRC foreign exchange administration regulations.

**Any failure to comply with PRC regulations regarding our employee equity incentive plans may subject the participants or us to fines and other legal or administrative sanctions**

Our Company conditionally adopted the Share Option Scheme on 12 October 2022. In addition, we may adopt other employee equity incentive plans upon the completion of the Global Offering. In such a case, we, along with our Directors and other employees who may be granted options, may be subject to the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company\* (關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知), issued by the SAFE in February 2012. According to the foregoing Notice, directors, employees, and other management members who are PRC citizens or non-PRC citizens residing in China for a continuous period of no less than one year participating in any stock incentive plan of an overseas publicly listed company, subject to limited exceptions, are required to register with the SAFE through a domestic qualified agent, which could be a PRC subsidiary of such overseas listed company, and complete certain other procedures. Failure to complete the SAFE registrations may subject them to fines and other legal sanctions and may also limit their ability to make payment under the equity incentive plans or receive dividends or sales proceeds related thereto, or our ability to contribute additional capital into our PRC subsidiaries and our PRC subsidiaries’ ability to distribute dividends to us. This notice issued by the SAFE only covers two categories of equity incentive plans, i.e. employee stock ownership plans and stock option plans. As a result, we also face regulatory uncertainties that could restrict our ability to adopt additional equity incentive plans for our Directors and employees under PRC laws and regulations.



## RISK FACTORS

In addition, the SAT has issued certain circulars with respect to employee share option. Under these circulars, our employees working in China will be subject to PRC individual income tax if they exercise share options. Our PRC subsidiaries have the obligation to file documents relating to the employee share options with the relevant tax authorities and to withhold individual income tax for those employees. If our employees fail to pay or we fail to withhold income tax according to the relevant laws and regulations, we may face sanctions imposed by the relevant tax authorities.

### **It may be difficult to effect service of legal process or to enforce any judgements obtained from non-PRC courts against us and our management**

Substantially all of our assets and our executive Directors and senior management are located within China. Therefore, it may not be possible for investors to effect service of process upon us or those persons inside China or enforce against us or those persons in China any judgements obtained from non-PRC courts.

On 14 July 2006, the PRC Supreme Court and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned\* (最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) (the “2006 Arrangement”) which became effective on 1 August 2008, pursuant to which any designated people’s court of the PRC or any designated Hong Kong court has made an enforceable final judgement requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing by the parties, any party concerned may apply to the relevant people’s court of the PRC or Hong Kong court for recognition and enforcement of the judgement.

On 18 January 2019, the Supreme People’s Court of the PRC and the government of the Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the “2019 Arrangement”). Although the 2019 Arrangement has been signed, it remains unclear when it will come into effect. When the 2019 Arrangement become effective, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the effective judgements in civil and commercial cases under the 2019 Arrangement but will be subject to the conditions set forth in the 2019 Arrangement. Therefore, the outcome and effectiveness of any action brought under the 2019 Arrangement is still uncertain. We cannot assure you that an effective judgement that complies with the 2019 Arrangement can be recognised and enforced in a PRC court. The 2006 Arrangement will be superseded upon the effective date of 2019 Arrangement. However, the 2006 Arrangement will remain applicable to a “choice of court agreement in writing” as defined in the 2006 Arrangement which is entered into before the 2019 Arrangement taking effect.

## RISK FACTORS

### **Inflation in China could negatively affect our profitability and growth**

The PRC government implemented various policies from time to time to control inflation, including imposing various corrective measures designed to restrict the availability of credit or regulate growth. High inflation in the future may cause the PRC government to once again impose controls on credit and/or price of commodities, or to take other actions, which could inhibit economic activities in China. Any action on the part of the PRC government that seeks to control credit and/or price of commodities may adversely affect our business operations, causing negative impact on our profitability and growth.

### **RISKS RELATING TO THE GLOBAL OFFERING AND OUR SHARES**

#### **Possible setting of the Offer Price after making a Downward Offer Price Adjustment**

We have the flexibility to make a Downward Offer Price Adjustment to set the final Offer Price at up to 10% below the low-end of the indicative Offer Price range per Offer Share. It is therefore possible that the final Offer Price will be set at HK\$1.70 per Offer Share upon the making of a full Downward Offer Price Adjustment. In such a situation, the Global Offering will proceed and the Withdrawal Mechanism will not apply. If the final Offer Price is set at HK\$1.70, the estimated net proceeds we will receive from the Global Offering will be reduced to HK\$210.2 million and such reduced proceeds will be used as described in the section headed “Future Plans and Use of Proceeds — Use of Proceeds” in this prospectus.

#### **An active and/or open trading market for our Shares may not develop as at or after the Listing**

There is no public market for our Shares. While we have applied for listing and dealing in our Shares on the Main Board of the Hong Kong Stock Exchange, an active, open or liquid public market for our Shares may not develop as at or after the Listing or be sustained if developed. Shareholders are reminded that as one of the conditions for the Listing, there must be an open market in the Shares to develop at the time of Listing. The Hong Kong Stock Exchange will not grant the approval for, and the SFC may object to, the listing of the Shares if an open market in the Shares does not exist at the time of Listing. Besides, the SFC may exercise its power of suspension under section 8 of the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) if, at any time after the Listing, it appears to the SFC that there may not have been an open market and that a suspension in the trading of Shares is necessary or expedient in the interest of maintaining an orderly and fair market in the Shares and in the interests of the investing public or for the protection of our investors.

The Offer Price may not be necessarily indicative of the market price of our Shares after the Global Offering is complete. An investor who purchases our Shares in the Global Offering may not be able to resell such Shares at or above the Offer Price and, as a result, may lose all or part of the investment in such Shares.

## RISK FACTORS

### **Liquidity, trading volume and trading price of our Shares may be volatile, which could result in substantial losses for the Shareholders**

The price at which our Shares will trade after the Global Offering will be determined by the marketplace, which may be influenced by many factors, some of which are beyond our control, including:

- our financial results;
- changes in securities analysts' estimates, if any, of our financial performance;
- the prospects for, us and the industry in which we compete;
- an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenue and cost structure such as the views of independent research analysts, if any;
- the valuation of publicly traded companies that are engaged in business activities similar to ours;
- general market sentiment regarding the marketing industry;
- changes in applicable laws and regulations in the PRC; and
- political, economic, financial and social developments in the PRC and worldwide.

In addition, the Hong Kong Stock Exchange has from time to time experienced significant price and volume fluctuations that have affected the share prices for the securities of companies listed on the Hong Kong Stock Exchange. As a result, investors in our Shares may experience volatility in the price of their Shares and a decrease in the value of Shares regardless of our operating performance or prospects.

### **Termination of the Underwriting Agreements**

Prospective investors should note that the Underwriters are entitled to terminate their obligations under the Underwriting Agreements by the Sole Representative (for itself and on behalf of the Underwriters) by giving written notice to our Company upon the occurrence of any of the events stated in the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. Such events include, without limitation, any series of events in the nature of force majeure.

Should the Sole Representative (for itself and on behalf of the Underwriters) exercise its rights and terminate the Underwriting Agreements, the Global Offering will not proceed and will lapse.

## RISK FACTORS

### **Future sales of substantial amounts of the Shares in the public market may adversely affect the prevailing market price of the Shares**

Except for our Shares to be issued under the Capitalisation Issue, the Global Offering, any Shares to be converted under the Pre-HKIPO Loans and the grant of, and the issue of any shares which may be allotted and issued pursuant to the exercise of, options which may be granted under the Share Option Scheme, our Company has agreed with, among others, the Sole Sponsor, the Sole Representative, the Joint Global Coordinators and the Hong Kong Underwriters under the Hong Kong Underwriting Agreement not to issue any of the Shares or securities convertible into or exchangeable for the Shares during the period beginning from the date of the Hong Kong Underwriting Agreement and continuing through the date which is six months from the Listing Date, except with the prior written consent of the Sole Sponsor and the Sole Representative (for itself and on behalf of the Hong Kong Underwriters). Further, our Shares held by our Controlling Shareholders are subject to certain lock-up undertakings for periods commencing on the date of this prospectus from the Listing Date. After these restrictions lapse, the market price of the Shares may decline as a result of sales of substantial amounts of the Shares or other securities relating to the Shares in the public market, the issuance of the new Shares or other securities relating to the Shares, or the perception that such sales or issuances may occur. This may also materially and adversely affect our ability to raise capital in the future at a time and at a price we deem appropriate.

### **Shareholders' interests may be diluted as a result of additional equity fund-raising**

We may need to raise additional funds in the future to finance any further expansion of our business. If additional funds are raised through the issuance of new equity or equity-linked securities of our Company other than on a pro rata basis to existing Shareholders, their percentage ownership in our Company may be reduced, and such new securities may confer rights and privileges that take priority over those conferred by the Shares.

### **The shareholding percentages of the existing Shareholders will be diluted following the conversion of convertible loan into our Shares**

In January 2022, our Company as borrower entered into the Loan Agreements with each of the Pre-HKIPO Loan Lenders, respectively, namely (i) ZGC; (ii) Many Idea Xue Jun; (iii) Huirong; and (iv) GEI, pursuant to which each of the Pre-HKIPO Loan Lenders agreed to grant a loan to our Company in the principal amount of (i) US\$5 million (in respect of ZGC); (ii) US\$1 million (in respect of Many Idea Xue Jun); (iii) US\$600,000 (in respect of Huirong) and (iv) HK\$3 million (in respect of GEI), respectively. The Pre-HKIPO Loans were drawn down in January 2022.

In the event that the Pre-HKIPO Loans are converted into Shares on the Listing Date pursuant to the terms of the Loan Agreements, each of ZGC, Many Idea Xue Jun, Huirong and GEI will become interested in 1.9507%, 0.3901%, 2.2191% (including the Shares held by Huirong as a Pre-IPO Investor as at the Latest Practicable Date) and 0.1493% of the total issued Share capital of our Company immediately after the Global Offering (without taking into account Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Options and the options which may be granted under the Share Option Schemes).

## RISK FACTORS

As a result, the shareholding percentages of the existing Shareholders in our Company would be diluted if the Pre-HKIPO Loans are converted to our Shares and could negatively affect our earnings per Share and net asset value per Share.

### **The redemption of Pre-HKIPO Loans may affect our financial condition and results of operations**

Pursuant to the Loan Agreements, the Pre-HKIPO Loan Lenders shall have the right, but not the obligation, to convert the whole of the outstanding principal amount of the Pre-HKIPO Loans into Shares at the conversion price pursuant to the terms of the Loan Agreements following the release of results of the Listing committee hearing regarding our Company's listing application (the "**Pre-Listing Conversion Event**"), or in the event that the Pre-Listing Conversion Event does not take place for whatever reason and the Listing becoming unconditional (the "**Post-Listing Conversion Event**", together with the Pre-Listing Conversion Event, the "**Conversion Event**"). The Conversion Event shall only trigger the conversion if and only if it occurs on or before the maturity date of the Pre-HKIPO Loan or such other later dates as may be agreed between our Company and the Pre-HK IPO Loans Lenders in writing from time to time. As at the Latest Practicable Date, our Company did not receive any request from the Pre-HKIPO Loan Lenders in respect of the Pre-Listing Conversion. For details, please refer to the section headed "History, Reorganisation and Corporate Structure — Pre-IPO Investment by way of Pre-HKIPO Loans" in this prospectus.

Further, before the maturity date of the Pre-HKIPO Loans, the Pre-HKIPO Loan Lenders may require the redemption of the Pre-HKIPO Loans in case that: (i) at any time after the occurrence of an event of default under the Pre-HKIPO Loans, if we fail to rectify the said breach within the aforesaid time limit, the Pre-HKIPO Loan Lenders may, by giving notice to our Company, terminate the Loan Agreements and declare that all or part of the Pre-HKIPO Loans and all other amounts accrued or outstanding under the Loan Agreements be immediately due and payable, whereupon they shall become immediately due and payable. Further, in respect of ZGC and Many Idea Xue Jun, in the event that the Listing has not taken place on or before 31 August 2022, our Company shall rectify such breach on or before 31 December 2022. If our Company fails to rectify the said breach on or before 31 December 2022, ZGC and Many Idea Xue Jun may, by giving notice to our Company: (a) terminate the relevant Loan Agreements; and (b) declare that all or part of the relevant Pre-HKIPO Loans and all other amounts accrued or outstanding under the relevant Loan Agreements be immediately due and payable, whereupon they shall become immediately due and payable. If the Pre-HKIPO Loans are to be redeemed, the redemption amount shall be the principal amount of (i) US\$5 million (in respect of ZGC); (ii) US\$1 million (in respect of Many Idea Xue Jun); (iii) US\$600,000 (in respect of Huirong) and (iv) HK\$3,000,000 (in respect of GEI), plus total accrued interest calculated at 8% per annum. The redemption of the Pre-HKIPO Loans, if triggered, would reduce our Group's cash flow and cash position.

### **Fair value change of derivative at fair value through profit or loss would affect financial performance, in addition to valuation uncertainty of derivative at fair value through profit or loss due to the use of unobservable inputs**

The assessment of fair value of the Pre-HKIPO Loans requires the use of unobservable inputs including but not limited to stock price and its volatility, exercise price, option life and risk-free interest rate. Changes of these unobservable inputs will

## RISK FACTORS

change the fair value of the Pre-HKIPO Loans. For the 4M2022, we recorded a gain in fair value of the Pre-HKIPO Loans in respect of the conversion option derivative in the amount of RMB759,000. However, we may record change in fair value of the Pre-HKIPO Loans for subsequent years until the Pre-HKIPO Loans expired or have been converted. The fair value change is a non-cash item. Before the completion of the Global Offering, the Pre-HKIPO Loans may be converted into Shares pursuant to the Loan Agreements. Any fair value change which results in fair value loss on the Pre-HKIPO Loans in the future could have an adverse impact on our profit for that year.

### **Exercise of options granted under the Share Option Scheme may result in dilution to the Shareholders and could negatively affect the financial results of our operation on a per Share basis**

We conditionally adopted the Share Option Scheme on 12 October 2022. As at the Latest Practicable Date, no option had been granted to subscribe for any Shares under the Share Option Scheme. Following the issuance of new Shares upon exercise of any options that may be granted under the Share Option Scheme, there will be an increase in the number of issued Shares. As such, there may be a dilution or reduction of share-holding of existing Shareholders which results in a dilution or reduction of our earnings per Share and net asset value per Share. In addition, the fair value of options to be granted to eligible participants under the Share Option Scheme may be recognised as share-based payment and charged to our consolidated statements of profit or loss and other comprehensive income over the vesting periods of the options. Fair value of the options shall be determined on the date of granting of the options. Accordingly, our financial results and profitability on a per Share basis may be materially and adversely affected.

### **The interests of our Controlling Shareholders may not always coincide with our interests and those of our other Shareholders**

Immediately following completion of the Global Offering and Capitalisation Issue (assuming (i) the Over-allotment Option is not exercised, (ii) the Pre-HKIPO Loans are not converted into Shares, (iii) and the options which may be granted under the Share Option Scheme are not exercised at all), our Controlling Shareholders will be entitled to exercise in aggregate voting rights of 32.2960% of the total issued share capital of our Company immediately upon Listing. Our Controlling Shareholders will be in a position which has significant influence over the operations and business strategy of our Company, and may have the ability to require us to effect corporate actions according to their own desires. If the interests of any of our Controlling Shareholders conflict with our and/or your interests, our Company or those other Shareholders, including you, may be adversely affected as a result.

### **There may be difficulties in protecting your interests because our Company is incorporated under the Companies Act in the Cayman Islands**

Our corporate affairs are governed by, among other things, our Memorandum and Articles of Association and by the Companies Act and common law of the Cayman Islands. The law of the Cayman Islands relating to the protection of the interests of minority shareholders may differ in some respects from those established under statutes



## RISK FACTORS

and judicial precedent in existence in Hong Kong and other jurisdictions. Such differences may mean that our minority shareholders may have different protection than they would have under the laws of Hong Kong and other jurisdictions. Please refer to the section headed “Appendix III — Summary of the Constitution of our Company and Cayman Companies Act” to this prospectus.

### **Proceeds from the Global Offering may be subject to foreign exchange risk**

Our headquarter is in the PRC with our sales and purchases mainly denominated in RMB while the proceeds from the Global Offering will be denominated in Hong Kong dollars. As such, we may be exposed to fluctuations in exchange rate and any unfavourable fluctuation against our Group may adversely affect the underlying value of our proceeds from the Global Offering.

### **We cannot assure you that we will declare and distribute any amount of dividends on our Offer Shares in the future**

During the Track Record Period, we did not declare any dividends. Our Board of Directors has discretion as to whether to distribute dividends. Even if our Board of Directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our results of operations and cash flow, our earnings, our capital requirements and surplus, our financial condition, our business development and prospects, our contractual restrictions, economic outlook, statutory fund reserve requirements and other factors deemed relevant by our Board of Directors. There is no guarantee that our Board of Directors will declare or distribute dividends in any year or that our Shares will appreciate in value or even maintain the price at which you purchased the Offer Shares. You may not realise a return on your investment, or may even lose your investment, in our Offer Shares.

### **Our management has significant discretion as to how to use the net proceeds of the Global Offering, and you may not necessarily agree with how such proceeds will be used**

Our management may use the net proceeds from the Global Offering in ways which you may not agree with or which may not yield a favourable return to our Shareholders. By investing in our Offer Shares, you are entrusting your funds to our management, upon whose judgement you must depend, for the specific uses which we will make of the net proceeds from this Global Offering.

## **RISKS RELATING TO INFORMATION CONTAINED IN THIS PROSPECTUS**

### **Certain facts and statistics in this prospectus relating to our industry may not be reliable**

Certain facts and statistics in this prospectus, including industry data and forecasts, have been derived from various official government publications and independent sources which we generally believe to be reliable. However, we cannot guarantee the quality or reliability of such materials. None of us, our Directors, the Sole Sponsor, the

## RISK FACTORS

Sole Representative, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, or our or their respective affiliates or advisers have independently verified information and statistics from official government sources, or made any representation as to, the accuracy of such facts, statistics, data and forecasts. Investors should not place undue reliance on such facts, statistics, data and forecasts. Due to possibly flawed or ineffective collection methods or discrepancies between published information, market practice and other problems, the statistics in this prospectus may be inaccurate or may not be comparable to statistics produced for other publications or purposes and you should not place undue reliance on them. Furthermore, they may not be stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to, or place on, such information or statistics.

**You should read the entire prospectus carefully and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us and the Global Offering**

We strongly caution you not to place any reliance on any information contained in press articles or other media regarding us and the Global Offering. We have not authorised the disclosure of any information in the press or media. We do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this prospectus, we disclaim responsibility for it and you should not rely on any such information.

**Forward-looking statements contained in this prospectus are subject to risks and uncertainties**

This prospectus contains certain statements that are “forward-looking” and may use forward looking terminology such as “aim”, “anticipate”, “believe”, “can”, “could”, “estimate”, “expect”, “going forward”, “intend”, “may”, “might”, “plan”, “potential”, “predict”, “project”, “seek”, “should”, “will”, “would” or similar expressions, or their negatives or other similar expressions. Those statements include, among other things, the discussion of our business strategies and the expectations of our future operations, liquidity and capital resources. Purchasers and subscribers of our Offer Shares are cautioned that reliance on any forward-looking statement involves risk and uncertainties and that, any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. The uncertainties in this regard include those identified in the risk factors discussed above. In light of these and other uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations or warranties by us, our Directors, the Sole Sponsor, the Sole Representative, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, or our or their respective affiliates or advisers that our plans and objectives will be achieved. Investors should not place undue reliance on such forward-looking information.



## WAIVER FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the Listing, we have sought the following waiver from strict compliance with the relevant provisions of the Listing Rules:

### WAIVER FROM STRICT COMPLIANCE WITH RULE 8.12 OF THE LISTING RULES

Pursuant to Rule 8.12 of the Listing Rules, we must have sufficient management presence in Hong Kong. This normally means that at least two of the executive Directors must be ordinarily resident in Hong Kong. The headquarters of our Group is located in the PRC. Since substantially all of the business operations and all of our management functions of our Group are carried out in the PRC, there is no operational need to appoint executive Directors based in Hong Kong. As none of our executive Directors or senior management currently resides in Hong Kong, we do not and, for the foreseeable future, will not have sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 of the Listing Rules.

Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules. In order to maintain regular and effective communication with the Hong Kong Stock Exchange, we put in place the following measures:

- (i) our Company has appointed two authorised representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Hong Kong Stock Exchange. The two authorised representatives appointed are Mr. Liu, our executive Director, and Ms. Tang Wing Shan Winza (鄧穎珊), our company secretary. Each of the two authorised representatives is authorised to communicate on behalf of our Company with the Hong Kong Stock Exchange;
- (ii) any meeting between the Hong Kong Stock Exchange and our Directors will be arranged through our authorised representatives or the compliance adviser of our Company or directly with our Directors within a reasonable time frame. We will inform the Hong Kong Stock Exchange promptly in respect of any changes in our authorised representatives and our compliance adviser;
- (iii) each of our authorised representatives will be available to meet with the Hong Kong Stock Exchange within a reasonable period of time upon the request of the Hong Kong Stock Exchange and will be readily contactable by telephone, facsimile and email;
- (iv) each of our authorised representatives has means to contact all members of our Board (including our independent non-executive Directors) promptly at all times as and when the Hong Kong Stock Exchange wishes to contact our Directors for any matters. To enhance the communication between the Hong Kong Stock Exchange, our authorised representatives and our Directors, we have implemented a policy that (a) each Director will provide their respective office phone numbers, mobile phone numbers and email addresses to our authorised representatives; and (b) all of our Directors and authorised

## WAIVER FROM STRICT COMPLIANCE WITH THE LISTING RULES

representatives will provide, if available, their office phone numbers, mobile phone numbers and email addresses to the Hong Kong Stock Exchange. In the event that a Director expects to travel or is out of office, he will provide the phone number of the place of his accommodation to our authorised representatives;

- (v) our Directors, who are not ordinarily resident in Hong Kong, have confirmed that they possess or can apply for valid travel documents to visit Hong Kong and are able to meet with the Hong Kong Stock Exchange within a reasonable period of time; and
- (vi) in compliance with Rule 3A.19 of the Listing Rules, we have appointed Zhongtai International Capital Limited as our compliance adviser who will, among other things, in addition to our two authorised representatives, act as an additional channel of communication with the Hong Kong Stock Exchange for the period commencing from the Listing Date and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date. Zhongtai International Capital Limited will have full access at all times to our authorised representatives, Directors and senior management.

## **DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS**

This prospectus, for which our Directors (including any proposed director who is named as such in this prospectus) collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong (as amended or supplemented from time to time)) and the Listing Rules for the purpose of giving information to the public with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus 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 prospectus misleading or deceptive.

## **INFORMATION ON THE GLOBAL OFFERING**

The Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and the **GREEN** Application Form and on the terms and subject to the conditions set out herein and therein. No person is authorised to give any information in connection with the Global Offering or to make any representation not contained in this prospectus and the **GREEN** Application Form, and any information or representation not contained herein and therein must not be relied upon as having been authorised by our Company, the Sole Sponsor, the Sole Representative, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, agents, employees or advisers or any other party involved in the Global Offering. Details of the structure of the Global Offering, including its conditions, are set out in the section headed "Structure of the Global Offering" in this prospectus, and the procedures for applying for Hong Kong Offer Shares are set out in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus and in the **GREEN** Application Form.

## **DOWNWARD OFFER PRICE ADJUSTMENT**

We have reserved the right to make a Downward Offer Price Adjustment to provide flexibility in pricing the Offer Shares. The ability to make a Downward Offer Price Adjustment does not affect our obligation to issue a supplemental prospectus and to offer investors a right to withdraw their applications if there is material change in circumstances not disclosed in this prospectus.

If it is intended to set the final Offer Price at more than 10% below the low-end of the indicative Offer Price range, the Withdrawal Mechanism will be applied if the Global Offering is to proceed.

## **UNDERWRITING**

This prospectus is published solely in connection with the Hong Kong Public Offering. For applicants under the Hong Kong Public Offering, this prospectus and the **GREEN** Application Form contain the terms and conditions of the Hong Kong Public Offering.

## INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

The Listing is sponsored by the Sole Sponsor. Pursuant to the Hong Kong Underwriting Agreement, the Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement, and the International Underwriting Agreement relating to the International Offering is expected to be entered into on or around the Price Determination Date, subject to agreement on the Offer Price to be determined between the Sole Representative (for itself and on behalf of the Underwriters) and us.

If, for any reason, the Offer Price is not agreed, the Global Offering will not proceed and will lapse. Further information about the Underwriters and the underwriting arrangements is set out in the section headed “Underwriting” in this prospectus.

### RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his/her acquisition of Offer Shares to, confirm that he/she is aware of the restrictions on offers for the Offer Shares described in this prospectus and on the **GREEN** Application Form. No action has been taken to permit a public offering of the Offer Shares in any jurisdiction other than in Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offer and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom.

### APPLICATION FOR LISTING ON THE HONG KONG STOCK EXCHANGE

We have applied to the Hong Kong Stock Exchange for the granting of the listing of, and permission to deal in, our Shares in issue and to be issued pursuant to the Global Offering and the exercise of the Over-allotment Option, Shares to be converted under the Pre-HKIPO Loans and Shares to be issued pursuant to the Share Option Scheme.

Save as disclosed in this prospectus, no part of our Shares is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.

### OVER-ALLOTMENT OPTION AND STABILISATION

Details of the arrangements relating to the Over-allotment Option and stabilisation are set out in the section headed “Structure of the Global Offering” in this prospectus.

### COMMENCEMENT OF DEALINGS IN OUR SHARES

Dealings in our Shares on the Hong Kong Stock Exchange are expected to commence on Wednesday, 9 November 2022. Our Shares will be traded in board lots of 2,000 Shares each. The stock code of our Shares will be 6696.

## INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

### SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, our Shares on the Hong Kong Stock Exchange and compliance with the stock admission requirements of HKSCC, our Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or on any other date as determined by HKSCC. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for our Shares to be admitted into CCASS. Investors should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

### REGISTER OF MEMBERS AND STAMP DUTY

All Shares issued pursuant to applications made in the Global Offering will be registered on our Company's branch share register of members to be maintained by our Hong Kong Share Registrar. Our principal register of members will be maintained by Ogier Global (Cayman) Limited in the Cayman Islands.

Dealings in our Shares will be subject to Hong Kong stamp duty. For further details of Hong Kong stamp duty, please seek professional tax advice. Unless otherwise determined by our Board, dividends will be paid to Shareholders whose names are listed on our branch share register of members in Hong Kong, by ordinary post, at the Shareholders' risk in Hong Kong dollars.

### PROFESSIONAL TAX ADVICE RECOMMENDED

Applicants for the Offer Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of holding and dealing in our Shares. It is emphasised that none of us, the Sole Sponsor, the Sole Representative, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our/their respective affiliates, directors, supervisors, employees, agents or advisers or any other party involved in the Global Offering accepts responsibility for any tax effects or liabilities of holders of our Shares resulting from the subscription, purchase, holding or disposal of our Shares.

### EXCHANGE RATES

Unless otherwise specified, this prospectus contains certain translations for the convenience purposes at the following rates:

RMB1.0000 : HK\$1.1040

RMB1.0000 : US\$0.1406

## INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

No representation is made, and no representation should be construed as being made, that any amounts in HK\$, RMB and US\$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.

### LANGUAGE

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, the English version of this prospectus shall prevail unless otherwise stated. However, the translated English names of the PRC nationals, entities, departments, facilities, certificates, titles, laws, regulations (including certain of our subsidiaries) and the like included in this prospectus and for which no official English translation exists are unofficial translations for your reference only. If there is any inconsistency, the Chinese name prevails.

### ROUNDING

Certain amounts and percentages figures included in this prospectus have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any table in this prospectus between total and sum of amounts listed therein are due to rounding.

<b>DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING</b>
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**DIRECTORS**

<b>Name</b>	<b>Address</b>	<b>Nationality</b>
<i>Executive Directors</i>		
Mr. Liu Jianhui (劉建輝)	Room 705 No. 22 Binhu Yili Haicang District Xiamen Fujian Province PRC	Chinese
Ms. Qu Shuo (曲碩)	Room 705 No. 22 Binhu Yili Haicang District Xiamen Fujian Province PRC	Chinese
Ms. Huang Tingting (黃婷婷)	Room 402 No. 23 Xunsiding Alley Siming District Xiamen Fujian Province PRC	Chinese
Mr. Chen Shancheng (陳善成)	Room 208 No. 50 Xiangeli Siming District Xiamen Fujian Province PRC	Chinese
Mr. Chen Zeming (陳澤銘)	Room 502 No. 57-1 Xinglin South Road Jimei District Xiamen Fujian Province PRC	Chinese



<b>DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING</b>
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<b>Name</b>	<b>Address</b>	<b>Nationality</b>
<i>Independent Non-executive Directors</i>		
Ms. Wang Yingbin (王穎彬)	Room 407 No. 6 Xiadananguang Siming District Xiamen Fujian Province PRC	Chinese
Ms. Wong Yan Ki, Angel (黃欣琪)	28H, Block 7 Century Gateway No. 83 Tuen Mun Heung Sze Wui Road Tuen Mun Hong Kong	Chinese
Mr. Tian Tao (田濤)	No. 1701, Building 3 No. 1 Xinfeng Street Xicheng District Beijing PRC	Chinese

For further information on our Directors, please refer to the section headed "Directors and Senior Management" in this prospectus.

**PARTIES INVOLVED IN THE GLOBAL OFFERING**

<b>Sole Sponsor</b>	Zhongtai International Capital Limited 19/F, Li Po Chun Chambers 189 Des Voeux Road Central Central Hong Kong
<b>Joint Global Coordinators</b>	Zhongtai International Securities Limited 19/F, Li Po Chun Chambers 189 Des Voeux Road Central Central Hong Kong
	Sunfund Securities Limited Room 1004, 10/F, Bank of America Tower 12 Harcourt Road Central Hong Kong
	CLSA Limited 18/F, One Pacific Place 88 Queensway Hong Kong

## DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

### Joint Bookrunners

Zhongtai International Securities Limited  
19/F, Li Po Chun Chambers  
189 Des Voeux Road Central  
Central  
Hong Kong

Sunfund Securities Limited  
Room 1004, 10/F, Bank of America Tower  
12 Harcourt Road  
Central  
Hong Kong

CLSA Limited  
18/F, One Pacific Place  
88 Queensway  
Hong Kong

Zheshang International Financial Holdings Co., Limited  
Rm 4405, 44/F, Hopewell Centre  
Queen's Road East  
Wan Chai  
Hong Kong

SPDB International Capital Limited  
33/F, SPD Bank Tower, One Hennessy  
1 Hennessy Road  
Hong Kong

BOCOM International Securities Limited  
9/F, Man Yee Building  
68 Des Voeux Road Central  
Hong Kong

Shenwan Hongyuan Securities (H.K.) Limited  
Level 6  
Three Pacific Place  
1 Queen's Road East  
Hong Kong

China Industrial Securities International Capital Limited  
32/F, Infinitus Plaza  
199 Des Voeux Road Central  
Sheung Wan  
Hong Kong

Guotai Junan Securities (Hong Kong) Limited  
26/F-28/F, Low Block, Grand Millennium Plaza  
181 Queen's Road Central  
Hong Kong

<b>DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING</b>
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First Shanghai Securities Limited  
19/F, Wing On House  
71 Des Voeux Road Central  
Hong Kong

Maxa Capital Limited  
Unit 1908, Harbour Center  
25 Harbour Road  
Wanchai  
Hong Kong

**Joint Lead Managers**

Zhongtai International Securities Limited  
19/F, Li Po Chun Chambers  
189 Des Voeux Road Central  
Central  
Hong Kong

Sunfund Securities Limited  
Room 1004, 10/F, Bank of America Tower  
12 Harcourt Road  
Central  
Hong Kong

CLSA Limited  
18/F, One Pacific Place  
88 Queensway  
Hong Kong

Zheshang International Financial Holdings Co., Limited  
Rm 4405, 44/F, Hopewell Centre  
Queen's Road East  
Wan Chai  
Hong Kong

SPDB International Capital Limited  
33/F, SPD Bank Tower, One Hennessy  
1 Hennessy Road  
Hong Kong

BOCOM International Securities Limited  
9/F, Man Yee Building  
68 Des Voeux Road Central  
Hong Kong

## DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Shenwan Hongyuan Securities (H.K.) Limited  
Level 6  
Three Pacific Place  
1 Queen's Road East  
Hong Kong

China Industrial Securities International Capital Limited  
32/F, Infinitus Plaza  
199 Des Voeux Road Central  
Sheung Wan  
Hong Kong

Guotai Junan Securities (Hong Kong) Limited  
26/F-28/F, Low Block, Grand Millennium Plaza  
181 Queen's Road Central  
Hong Kong

First Shanghai Securities Limited  
19/F, Wing On House  
71 Des Voeux Road Central  
Hong Kong

Maxa Capital Limited  
Unit 1908, Harbour Center  
25 Harbour Road  
Wanchai  
Hong Kong

Valuable Capital Limited  
Room 2808, 28/F, China Merchants Tower,  
Shun Tak Centre  
168-200 Connaught Road Central  
Hong Kong

West Bull Securities Limited  
Unit 2701-03, 27/F, Infinitus Plaza  
199 Des Voeux Road Central  
Hong Kong

Goldlink Securities Limited  
28/F, Bank of East Asia Harbour View Centre  
56 Gloucester Road  
Wanchai  
Hong Kong

<b>DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING</b>
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ZMF Asset Management Limited  
Unit 2502, 25/F, World Wide House  
19 Des Voeux Road Central  
Central  
Hong Kong

Tiger Brokers (HK) Global Limited  
1/F, FWD Financial Centre  
308 Des Voeux Road Central  
Hong Kong

Livermore Holdings Limited  
Unit 1214A, 12/F, Tower II Cheung Sha Wan Plaza  
833 Cheung Sha Wan Road  
Kowloon  
Hong Kong

**Legal Advisers to  
our Company**

*as to Hong Kong law:*  
Wan & Tang  
2408, World-Wide House  
19 Des Voeux Road Central  
Central  
Hong Kong

*as to PRC law:*  
Jingtian & Gongcheng  
34/F, Tower 3, China Central Place  
77 Jianguo Road, Chaoyang District  
Beijing  
China

*as to Cayman Islands law:*  
Ogier  
11/F, Central Tower  
28 Queen's Road Central  
Central  
Hong Kong

**Legal Advisers to  
the Sole Sponsor and  
the Underwriters**

*as to Hong Kong law:*  
Ashurst Hong Kong  
11/F, Jardine House  
One Connaught Place  
Central  
Hong Kong

<b>DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING</b>
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*as to PRC law:*

Hylands Law Firm  
12/F, Fortune Financial Centre  
5 Dongsanhuan Zhong Road  
Chaoyang District  
Beijing  
China

**Auditors and Reporting  
Accountants**

BDO Limited  
25/F, Wing On Centre  
111 Connaught Road Central  
Hong Kong

**Industry Consultant**

Frost & Sullivan (Beijing) Inc.  
Shanghai Branch Co.  
Suite 2504, Wheelock Square  
1717 Nanjing West Road  
Shanghai  
China

**Independent Valuer**

Graval Consulting Limited  
Suites 2401-02  
24/F, Shui On Centre  
6-8 Harbour Road  
Wanchai, Hong Kong

**Receiving Bank**

Bank of China (Hong Kong) Limited  
1 Garden Road  
Hong Kong

## CORPORATE INFORMATION

<b>Registered office in the Cayman Islands</b>	Ogier Global (Cayman) Limited 89 Nexus Way, Camana Bay Grand Cayman, KY1-9009 Cayman Islands
<b>Principal place of business in Hong Kong</b>	2408, World-Wide House 19 Des Voeux Road Central Central, Hong Kong
<b>Headquarters in the PRC</b>	12/F, ERKE Group Mansion 11 Guanyin Shan Hualien Road Siming District, Xiamen Fujian Province PRC
<b>Company's website</b>	<b><u><a href="http://www.manyidea.cloud">www.manyidea.cloud</a></u></b> <i>(Note: The contents of this website do not form part of this prospectus)</i>
<b>Company secretary</b>	Ms. Tang Wing Shan Winza (鄧穎珊) <i>(an associate member of both the Hong Kong Chartered Governance Institute (formerly known as the Hong Kong Institute of Chartered Secretaries) and the Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators))</i> 46/F, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
<b>Authorised representatives</b>	Mr. Liu Jianhui (劉建輝) Room 705 No. 22 Binhu Yili Haicang District Xiamen Fujian Province PRC  Ms. Tang Wing Shan Winza (鄧穎珊) 46/F, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong



## CORPORATE INFORMATION

<b>Audit committee</b>	Ms. Wong Yan Ki, Angel (黃欣琪) ( <i>Chairman</i> ) Ms. Wang Yingbin (王穎彬) Mr. Tian Tao (田濤)
<b>Remuneration committee</b>	Ms. Wang Yingbin (王穎彬) ( <i>Chairman</i> ) Ms. Wong Yan Ki, Angel (黃欣琪) Mr. Tian Tao (田濤)
<b>Nomination committee</b>	Mr. Tian Tao (田濤) ( <i>Chairman</i> ) Ms. Wang Yingbin (王穎彬) Ms. Wong Yan Ki, Angel (黃欣琪)
<b>Principal share registrar and transfer office in the Cayman Islands</b>	<b>Ogier Global (Cayman) Limited</b> 89 Nexus Way, Camana Bay Grand Cayman, KY1-9009 Cayman Islands
<b>Hong Kong Share Registrar</b>	<b>Computershare Hong Kong Investor Services Limited</b> Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wan Chai, Hong Kong
<b>Compliance adviser</b>	<b>Zhongtai International Capital Limited</b> 19/F Li Po Chun Chambers 189 Des Voeux Road Central Central Hong Kong
<b>Principal banker</b>	<b>Shanghai Pudong Development Bank Co., Ltd Xiamen Guanyinshan Sub-branch</b> (上海浦東發展銀行股份有限公司廈門觀音山支行) No.2 of Unit 101, No.161 Taidong Road Siming District Xiamen Fujian Province PRC

## INDUSTRY OVERVIEW

*Certain information and statistics set out in this section and elsewhere in this prospectus relating to the marketing services market in China are derived from the market research report prepared by Frost & Sullivan, an independent industry consultant which was commissioned by us (the “Frost & Sullivan Report”), and publicly available government and official sources. Information and statistics from official government sources have not been independently verified by us, the Sole Sponsor, the Sole Representative, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or any other parties involved in the Global Offering or their respective directors, officers, employees, advisers, or agents, and no representation is given as to the accuracy of such information and statistics.*

### SOURCE AND RELIABILITY OF INFORMATION

We have commissioned Frost & Sullivan, an Independent Third Party, to conduct a study of China’s marketing services market. We agreed to pay Frost & Sullivan a fee of RMB840,000 for the preparation of the Frost & Sullivan Report, and our Directors consider that such fee reflects market rates and are of the view that the payment of the fee does not affect the fairness of conclusions drawn in the Frost & Sullivan Report. Founded in 1961, Frost & Sullivan has over 45 global offices with more than 3,000 industry consultants, market research analysts, technology analysts and economists.

### RESEARCH METHODOLOGY

During the preparation of the Frost & Sullivan Report, Frost & Sullivan conducted primary research that involved discussing the status of the industry with industry participants and industry experts, as well as secondary research that involved reviewing company reports, independent research reports and Frost & Sullivan’s own database.

### BASIS AND ASSUMPTION

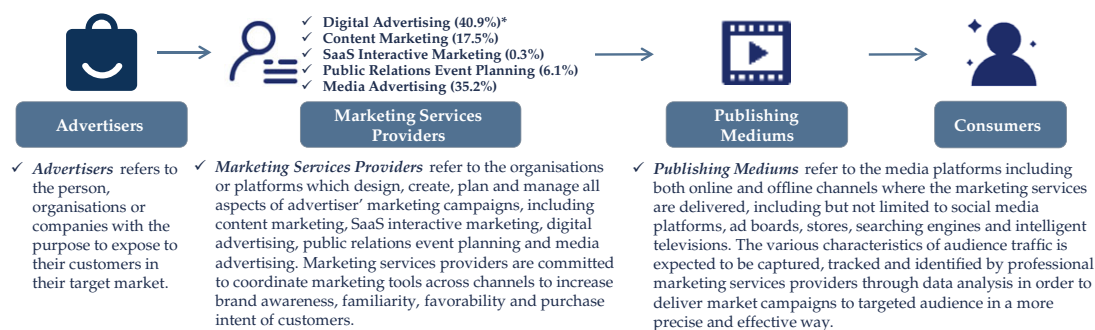
The Frost & Sullivan Report was compiled based on the following assumptions: (i) China’s economy is likely to maintain steady growth in the next decade; (ii) China’s social, economic, and political environment is likely to remain stable from 2022 to 2026; (iii) growing number of enterprises, change of policies, and favourable government policy are likely to drive the future growth of the industry. The impact of COVID-19 has been incorporated in the assumptions.

### ANALYSIS OF CHINA’S MARKETING SERVICES MARKET

Marketing services refer to a series of promotional methods and activities, such as advertising and events that aim to establish a brand image, enhance brand awareness, and attract new clients. Typically, marketing services are designed to ensure that all messages and communication strategies are consistent across all channels and are centred on the customers, essentially to recognise the value of a comprehensive plan that evaluates the strategic roles of a variety of communication channels and then combines them to provide clarity, consistency, and maximum marketing impact.

## INDUSTRY OVERVIEW

In terms of services type, China's marketing services market can be divided into five major segments include digital advertising, media advertising, content marketing, public relations event planning, and SaaS interactive marketing, which accounted for approximately 40.9%, 35.2%, 17.5%, 6.1% and 0.3% of total China's marketing services market.



*\*Note:* The percentage refers to the market share that each segment takes up to total China's marketing services market.

### MARKET SIZE OF CHINA'S MARKETING SERVICES MARKET

In 2021, PC, mobile devices, newspaper and magazines as well as television are four major media for marketing in China. The market size of marketing services has increased from RMB581.4 billion in 2016 to RMB1,230.3 billion in 2021, representing a CAGR of 16.2%. With continuous consumption upgrade, the brand awareness among consumers has risen. The market size of the marketing services market is expected to reach RMB2,334.8 billion in 2026, representing a CAGR of 13.7% from 2021 to 2026.

China's marketing services market was fragmented in 2021. Top five marketing services companies occupied approximately 16.9% market share of total market size. The Group, with revenue of approximately RMB0.4 billion in 2021, accounted for approximately 0.03% of the China's marketing services market in 2021. As there are a vast number of non-listed companies in China's marketing services market, it is difficult to accurately measure the specific ranking of the Group as the Group accounted for only approximately 0.03% of the China's marketing services market in 2021. Through conducting primary research which involves detailed discussion and consultation on the competitive landscape of the market with leading industry participants and experts from relevant associations and institutes and secondary research that involves reviewing the prospectus and annual report of the listed market players, it is estimated that there are over 50 players with annual revenue over RMB0.5 billion in China's marketing services market in 2021.

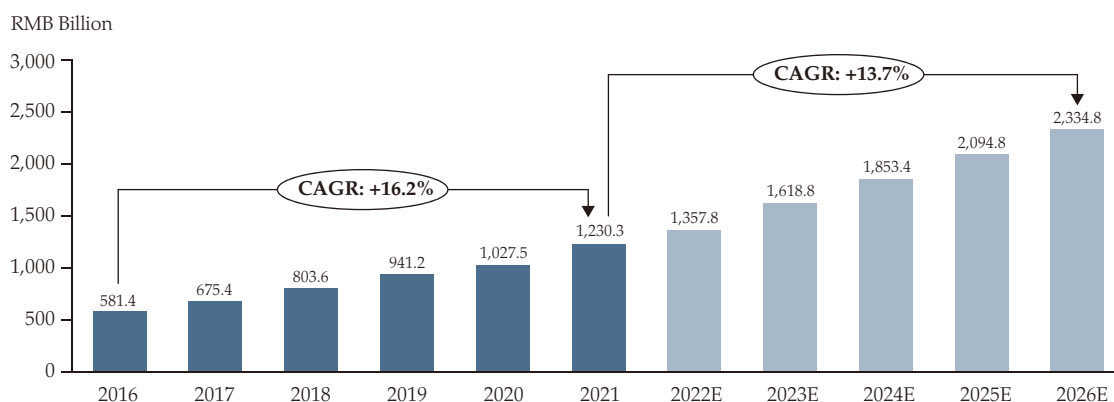
China's marketing services market can also be categorised based on the types of media utilised, which includes offline and online marketing markets. The event content marketing services, public relations event planning services and media advertising services fall within the offline marketing market; while digital content marketing services, SaaS interactive marketing services and digital marketing services fall within the online marketing market.

## INDUSTRY OVERVIEW

China's offline marketing services market was fragmented with over 100,000 service providers in China in 2021. Top five service providers in offline marketing services accounted for approximately 30% market share of total market size. The Group, with a revenue of approximately RMB202.8 million in offline marketing services in 2021, accounted for approximately 0.04% of the China's offline marketing services market in 2021 in terms of revenue.

It is estimated that there are over 100,000 online marketing services providers in China in 2021. Top five service providers in online marketing services accounted for approximately 7.0% market share of total market size. The Group, with a revenue of approximately RMB150.5 million in online marketing services in 2021, accounted for approximately 0.02% of China's online marketing services market in 2021 in terms of revenue.

### Market Size of Marketing Services Market (China), 2016-2026E



Source: State Administration for Market Regulation, Frost & Sullivan

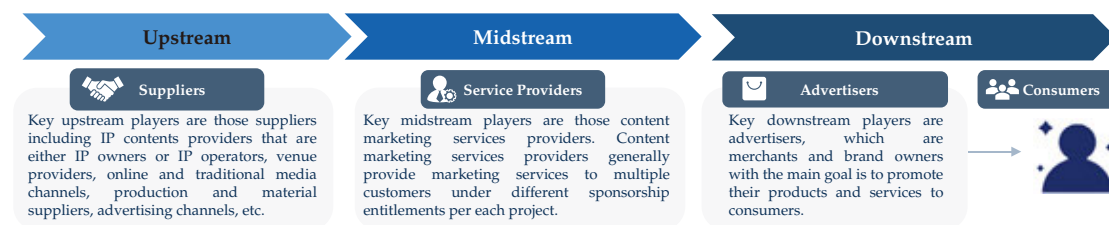
## CHINA'S CONTENT MARKETING SERVICES MARKET

### Analysis of China's Content Marketing Services Market

Content marketing services refer to the commercial communication behaviour for the purpose of marketing with content as the carrier. It combines the marketing information and independent content. It can either be self-created independent content with certain marketing information or packaged information for users to discuss and reproduce. Content marketing services are designed to make customers easier to accept the marketing information without any unnecessary interruptions. In this way, customers are able to better understand the content based on their previous knowledge, preference and trust in certain materials.

Content marketing services can be presented in many different methods, such as images, audio, video, games and events, etc. It usually doesn't directly advertise the products but inputs the marketing information, such as a brand, into a scenario situation. In this case, customers are able to have a better understanding and knowledge of the products or services and will be more eager to purchase the products.

## INDUSTRY OVERVIEW



### Market Size of China's Content Marketing Services Market

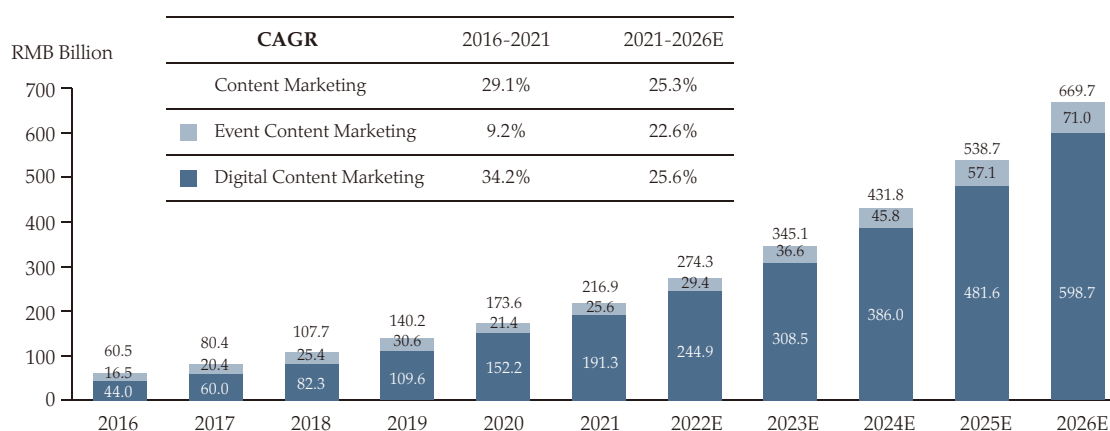
Along with the growth of total marketing services market, content marketing services market has gone through a robust development period in past five years. As one of the most popular advertising method, content marketing services market increased RMB60.5 billion in 2016 to RMB216.9 billion in 2021, representing a CAGR of 29.1%. Content marketing services market contains event content marketing and digital content marketing. Digital content marketing refers to those marketing activities that solely rely on online platforms, such as TikTok, Xiaohongshu, Weibo and other internet platforms. On the other hand, event content marketing refers to those marketing activities that mainly rely on events, such as concert, marathon, fashion show and other local events. Event content marketing market has increased from RMB16.5 billion to RMB25.6 billion with a CAGR of 9.2% from 2016 to 2021. The market size of event content marketing dropped in 2020 due to cancellation and delays in events primarily using offline channels as a result of the outbreak of COVID-19 but it is expected to grow back to normal along with the effective control of COVID-19 in China. During the same period of time, digital content marketing services market has increased from RMB44.0 billion to RMB191.3 billion with a CAGR of 34.2%. It was not adversely affected by COVID-19 because digital content marketing utilises internet and online platforms. China's digital content marketing services market was fragmented in 2021. Top five marketing services companies occupied around 5% market share of digital content marketing services market size. The Group, with revenue of RMB52.0 million in 2021, accounted for 0.03% of the China's digital content marketing services market in 2021. In addition, there is an impact of seasonality on marketing services market as most advertisers are willing to allocate their budgets on marketing services for products and services during the fourth quarter of the year, which is recognised as a holiday season in China and peak season for marketing services market. Therefore, marketing services providers usually record higher sales in the fourth quarter. Especially, brands in the fast moving consumer goods and footwear and apparel industry normally introduce their latest fashion trends and launch the promotion campaign in the fourth quarter.

As a result of the fast development of technology and how consumers accept marketing information, the content marketing services market is expected to increase to RMB669.7 billion in 2026 and the CAGR is approximately 25.3% from 2021 to 2026. In the meanwhile, event content marketing services market and digital content marketing services market are estimated to reach RMB71.0 billion and RMB598.7 billion in 2026, representing CAGR of 22.6% and 25.6% from 2021 to 2026, respectively. As the mobile internet users and penetration rate are growing consistently in China and development of social platforms, digital content marketing services market is expected to maintain a quick growing pace in the future. 'Outline of the 14th Five-Year Plan for Cultural Industry

## INDUSTRY OVERVIEW

Development’ (《「十四五」文化產業發展規劃》) stated that China will put efforts on development of entertainment and cultural industry by holding more activities and events. Also, as per capita annual disposable income is expected to reach RMB51,100 in 2026 from RMB35,100 in 2021, people tend to have a growing leisure and recreation demand in their spare time. Although the COVID-19 impacted a lot on event content marketing services market, the supportive government policies and growing consumers’ demands are expected to lead the market to grow at a quick pace in the future.

### Market Size of Content Marketing Service Market, Breakdown by Marketing Tools (China), 2016-2026E



Source: Frost & Sullivan

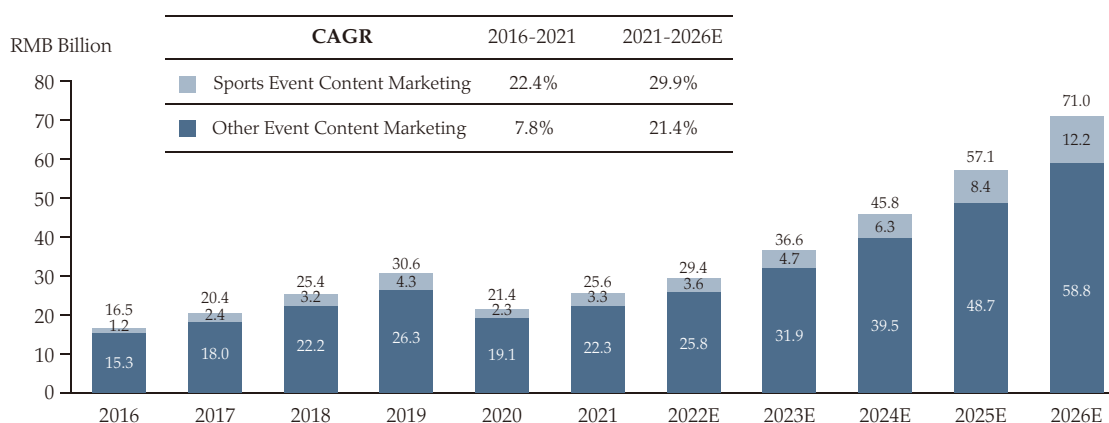
Event content marketing services can be divided into two categories, namely sports event content marketing and other event content marketing. Sports event content marketing refers to those content marketing services that rely on sports event, such as marathons, triathlon and cycling, etc. On the other hand, other event content marketing usually includes those content marketing services that depend on other events, such as fashion shows, concerts, career fairs, etc. China’s digital content marketing services market was fragmented in 2021. Top five digital content marketing services companies occupied around 5% of digital content marketing services market size. The Group, with revenue of RMB52.0 million in 2021, accounted for 0.03% of the China’s digital content marketing services market share in 2021.

In line with the growth of content marketing services, sports event content marketing has increased from RMB1.2 billion to RMB3.3 billion from 2016 to 2021 with a CAGR of 22.4%. This huge increase is mainly driven by the encouragement of China’s government on increasing citizens’ health condition and the announcement of ‘National Fitness Programme (2016-2020)’. In the same period, other event content marketing services market has witnessed a growth from RMB15.3 billion to RMB22.3 billion with a CAGR of 7.8%. Both sports event content marketing services and other event content marketing services markets have dropped in 2020 due to the cancellation and delays in most offline events primarily utilising offline channels caused by the outbreak of COVID-19.

## INDUSTRY OVERVIEW

Going forward, along with the effective control of COVID-19, both sports event content marketing services market and other content marketing services market are expected to increase to RMB12.2 billion and RMB58.8 billion in 2026, with CAGRs of 29.9% and 21.4%, respectively. ‘Healthy China 2030 Planning Outline’ demonstrated the importance of daily sports activities. Chinese government also encourages citizens to increase their health conditions by exercising and working out regularly. In addition, growing number of large venues are expected to be built in China for cultural and sporting activities, which would likely bring more people to participate in concerts, dramas and sports events, etc. Although the COVID-19 caused a drop on event content marketing services market in 2020, favourable government policies and increasing health awareness of citizens are expected to boost the market with a relatively high growth rate in the future.

**Market Size of Event Content Marketing Services Market,  
Breakdown by Event Types (China), 2016-2026E**



*Source: Frost & Sullivan*

### Market Drivers of China’s Content Marketing Services Market

**Increasing Popularity of Sporting Events:** According to the policies of Opinions of the State Council on Carrying Out Health China Operation (《關於實施健康中國行動的意見》) and the formation of The Committee for the Health China Operation (《健康中國行動推薦委員會》), both Chinese government and Chinese residents start to pay more attention on personal wellness and promotion of sporting events. In addition, the Healthy Literacy level of Chinese residents has increased from around 10% in 2015 to around 25.4% in 2021, which indicates that Chinese residents are now pursuing a healthier lifestyle and are willing to participate in more sporting events. In addition, the State Council recently announced National Fitness Programme (2021-2025) (《全民健身計劃(2021-2025年)》) to emphasise the importance of fitness and community sports events. In this case, growing number of content marketing services providers are relying on sporting events for marketing of clients’ products and services. Increasing popularity of sporting events is considered as a future trend of China’s event content marketing services market.



## INDUSTRY OVERVIEW

***Developed Technology for Accurate Marketing:*** Traditionally, marketing services providers usually send out advertisement to single consumer without analysis. With robust development of technology, such as big data and artificial intelligence (AI), content marketing services providers can accurately match their clients with target audience for certain types of advertisement according to their specific industries or types of targeted end-customers. Accurate marketing has upgraded the method of marketing and made consumers more willing to accept the products and services with attractive contents of their interest, thus promoting the development of China's content marketing services market. For example, the Group utilises the AI system and algorithm-driven technologies, to provide specific and accurate marketing templates recommendation to their customers based on their preferences and interests.

***New Marketing Trends for Young Generations:*** With increasing purchasing power and growing population, young generations are now becoming the major consumer group. As a result, content marketing services are required to match the changing preferences of young generations. As media (e.g., short video) is getting popular and is widely spreading among young generations, content marketing services providers nowadays are embedding advertisement in those media to get the attention of young generations. For example, the Group uses online short videos as the core carrier of its digital content marketing services. The short videos are able to spread to core consumers through different online platforms, such as Weibo, Kuaishou, etc. Therefore, the new marketing trend for young generations is leading content marketing services market to a higher stage of development.

### **Opportunities, Threats and Challenges of China's Content Marketing Services Market**

#### ***Opportunities:***

***Developing Technology of Marketing:*** Compare with traditional marketing services, content marketing services focus more on original contents instead of certain products or services. With more developed technology, content marketing services providers are able to track the preference of consumers based on consumer data like browsing history. Developed technology like big data allows advertisers to have specific information on consumers so that advertisers and content marketing services providers are able to create contents that are tailored to the interests of the target consumers. In addition, developed technology like SaaS marketing combines advertising technology with marketing technology, thus improving advertising efficiency and reducing the cost of marketing services.

***Growth Trend of Self-created Video:*** Content marketing services are different from other traditional marketing services since they put clients' products and services in a content-embedded scenario instead of presenting the products and services directly to consumers. With the development of mobile apps, such as WeChat, TikTok and Xiaohongshu, there is growing number of self-created videos. Self-created video is becoming one of the major ways to execute content marketing services due to various topics and customization. Growing number of brands now change their focus from general content to a more specific content like self-created videos that matches with their products and services. Thus, content marketing services market is expected to continue to grow in the future.



## INDUSTRY OVERVIEW

**Development of IP Creation and Acquisition:** Intellectual properties (IPs) is in a growth stage in China. Growing number of brands are starting to create their own IPs or acquire other established IPs to advertise their brands effectively and differentiate from other brands. A good collaboration of high-quality IP and content is able to establish a positive product image and attract more consumers to purchase the product or service. Thus, the development of IPs is able to bring more opportunities to China's content marketing service market.

### **Threats and Challenges:**

**Increasing Labour Cost:** In line with steady growth of China's economic environment, the salary level of employees in China also has increased in past five years. The average annual salary of employees in culture, sports and entertainment in China has increased from RMB79,900 in 2016 to RMB125,000 in 2021, representing a CAGR of 9.4%. Going forward, in line with the development of macro economy and marketing services industry, the average annual salary of employees is likely to keep growing in the future and reach approximately RMB185,300 in 2026, representing a CAGR of 8.2%. Therefore, increasing labour cost is considered as a potential challenge for content marketing services providers.

### **Competitive Landscape of China's Content Marketing Services Market**

China's content marketing services market was highly fragmented with around 90,000 to 100,000 companies in the market in 2021. Top 5 content marketing services companies only take approximately 2.7% of the total China's content marketing services marketing 2021.

With a revenue of RMB0.2 billion in content marketing services in 2021, the Group accounted for around 0.1% market share of China's content marketing services market.

### **Entry Barriers Analysis of China's Content Marketing Services Market**

**Large Industry Database:** The marketing data and customer behaviour information are very important to content marketing services providers. In order to perform the marketing analysis with the best effects, companies need a large amount of users' data to analyse their preference on products and advertisements. A long existed well-known content marketing services provider has access to a large database, which will lead to a more effective marketing result.

**Brand Reputation and Awareness:** A company with a great reputation is expected to attract more advertisers to do business with it. With successful previous projects and long-term business partners, existed companies with good reputation and brand awareness are able to prove themselves that they can offer quality marketing service. In this case, both new and old brands owners have preference on well-known content marketing services companies. Thus, new entrants may have a hard time to compete with those reputable players in the industry.

## INDUSTRY OVERVIEW

**Capital Requirements:** Initial investment is very high since company usually requires a lot of employees to create attractive contents for different types of products or services. In addition, not all capital investments are able to bring profits because the performance of the advertisement significantly relies on the final sales of the products or services. With the developing technology and consumers' quick-changing preference, it requires a lot of capital investments to enter the content marketing services market.

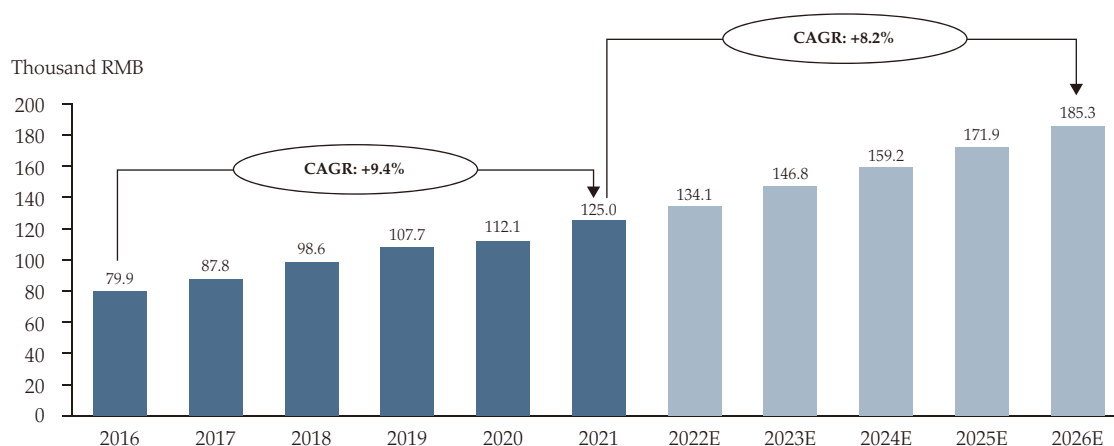
**Professional Innovation Skills:** Content marketing services market is the new trend of marketing that emerges in recent years. It is an emerging market that contains a large amount of market participants. Therefore, it requires the content marketing services companies to have a group of professional and creative employees to keep bringing brand new contents to meet consumers' needs. In addition, since the digital contents are easy to imitate, professional innovation skills are very crucial for those companies that want to enter the content marketing services market.

### Cost Analysis of China's Content Marketing Services Market

Human resource cost usually accounts for one of the largest cost of content marketing services market in China because it requires employees to create a lot of new contents to match with the new trends. Content marketing services are included in the category of culture, sports and entertainment. The average annual salary of employees in culture, sports and entertainment in China has increased from RMB79,900 in 2016 to RMB125,000 in 2021, representing a CAGR of 9.4%.

Going forward, in line with the development of macro economy and marketing services industry, the average annual salary of employees is likely to keep growing in the future and reach approximately RMB185,300 in 2026, representing a CAGR of 8.2%.

#### Average Annual Salary of Employees in Culture, Sports and Entertainment (China), 2016-2026E



Source: National Bureau of Statistics of China, Frost & Sullivan

## INDUSTRY OVERVIEW

### CHINA'S SAAS MARKETING SERVICES MARKET

#### Analysis of China's SaaS Marketing Services Market

SaaS marketing services range from initial creativity generation to final delivery. Integrating with our specific online, platform. SaaS marketing services can be directly accessed on the platform on which data can be computed or stored. By this, automation and intelligent marketing along with data, precipitation could be achieved on the platform.

SaaS marketing combines advertising technology with marketing technology. It improves advertising efficiency and reduces the cost of marketing services. In addition, SaaS marketing services help marketing services become standardised. SaaS marketing services are extension and transformation of the traditional marketing methods.

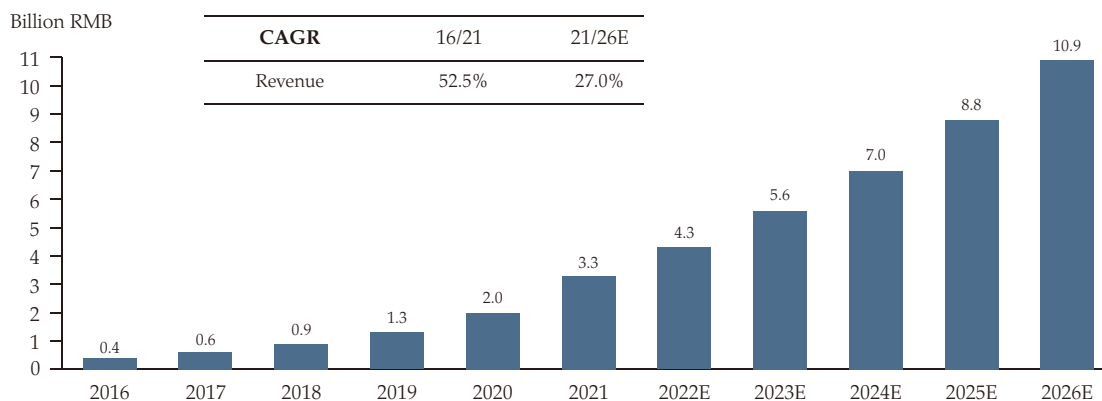
#### Market Size of China's SaaS Marketing Services Market

The market size of SaaS marketing market grew from RMB0.4 billion in 2016 to RMB3.3 billion in 2021, representing a CAGR of approximately 52.5%. Meanwhile, the growth of SaaS marketing market has sped up in 2020 to 2021 during the period of COVID-19. The inconvenience brought about by working onsite promoted the use of SaaS tools, which renders convenience for businesses. The size of SaaS marketing market in China is expected to increase to RMB10.9 billion in 2026 with a CAGR of approximately 27.0% from 2021 to 2026.

China's SaaS marketing services market was relatively fragmented with around 600 to 1,000 companies in the market in 2021. The top 5 SaaS marketing services companies took up approximately 48.2% of China's SaaS marketing services market in 2021.

With a revenue of approximately RMB10.6 million in SaaS marketing services market in 2021, the Group accounted for around 0.3% market share of China's SaaS marketing services market.

#### Market Size of SaaS Marketing Services Market (China), 2016-2026E



*Source: The China Academy of Information and Communications Technology, Frost & Sullivan*

### Market Drivers of China's SaaS Marketing Services Market

**Large Potential Brand Owner Base and Increasing Demand for Digitalization:** The large base of brand owners in China generates a steady stream of demand for SaaS marketing services. The rapid and broad adoption of digital commerce as well as the lockdown measures due to the outbreak of COVID-19 are forcing brand owners to adapt and adjust their marketing methods. Brand owners are aware of the opportunities derived from digital shopping technology, but the shift to digital commerce also brings new challenges such as more contact points with consumers in an increasingly diverse and multi-channel shopping environment, more consumer shopping behaviour data, more communication options to engage with the consumer, etc. SaaS marketing services providers play a vital role in solving these challenges and more brand owners are willing to pay for SaaS marketing services.

**Development of Decentralised E-commerce Market:** Decentralised e-commerce, which are e-commerce with private traffics, is becoming increasingly important with transaction value increased from RMB0.4 trillion in 2016 to RMB1.9 trillion in 2021, representing a CAGR of 36.6%, and is expected to further increase to RMB6.9 trillion in 2026. The rapid development of decentralised e-commerce market and growing user base of decentralised e-commerce platforms are expected to further drive brand owners' demand for SaaS marketing services. The penetration rate of China's SaaS marketing services market in relative low of around 10% compared with the penetration rate of around 40% to 50% in the United States and the European Union.

**Government Policy Support:** The Chinese government in recent years has rolled out a series of policies to support digital transformation across industries, which is expected to further drive the cloud-based digital transformation of business operation for brand owners and industries. For example, the 14th Five-Year Plan released in November 2020 reinforces China's digitalization push by encouraging the application of advanced technologies in real economy and targeting to become an innovation forerunner by 2035.

### Entry Barriers of China's SaaS Marketing Services Market

**Advanced R&D Capability:** SaaS services providers are required to have in-depth industry experience and advanced R&D capability to realise brand owners' diverse needs. Existing market participants have already been well established and have the resources to enhance R&D capability. New entrants would need to overcome this high R&D capability barrier.

**Brand Recognition:** Well-known SaaS marketing services providers generally have entered the marketplace earlier with their products and services having gone through multiple versions of updates and are more accepted by their customers. Therefore, they usually have stronger brand recognition along with customer loyalty and high conversion rate of paid businesses. New entrants generally lack brand recognition and industry experience, which make it difficult for them to compete with existing well-known SaaS marketing services providers.

## INDUSTRY OVERVIEW

**Qualified Project Team:** The project team members of SaaS marketing services providers need to have abundant industry experience and high technical qualifications to satisfy customer needs. Existing participants generally have experienced project teams comprising experts in multiple industries to provide industry-specific guidance, training and business advice to brand owners for their daily operation.

### **Opportunities, Threats and Challenges of China's SaaS Marketing Services Market**

#### ***Opportunities and Threats:***

**Growing Recognition of Private Traffic:** There is a growing recognition of private traffic in China as the cost of acquiring public traffic is increasing. Private traffic refers to customer traffic generated from the brand owner's website, apps, and social accounts on any social platforms that has traffic and social interaction, such as WeChat and Weibo. Private traffic can be utilised repeatedly and freely by the brand owners, as the data belongs to the brand owners and not the public platform.

Along with growing recognition of private traffic in China, brand owners today are expecting to generate more revenue from private traffic through reducing the cost of customer acquisition, building their images and cultivating relationships with customers. SaaS marketing services can provide brand owners multiple marketing channels and acquire high quality private traffic. Thus, the trend of growing recognition of private traffic is forecasted to bring more opportunities for China's SaaS marketing services providers.

**Emergence of Multiple Social Media Platforms:** The penetration rate of mobile Internet users in China was constantly growing during the past few years. In 2021, the number of mobile Internet users has increased to 1,029.0 million in 2021 and the penetration rate of mobile Internet reached 72.8%, which is much higher than global average level of 62.8%. With mobile internet users in China increasingly dependent on social media platforms to share opinions, ask for product recommendations, and connect with others, brand owners in China are looking to attract and convert potential customer traffic in the marketplace through building their presence on various social media platforms. Through engaging multiple social media platforms, brand owners are able to find the right target customers, build customer communities, drive traffic and interact with customers. As a result, there are growing demands for customised SaaS marketing services to help brand owners to better build and manage their presences on multiple social media platforms.

**Large Sales and Marketing Cost:** To expand business and attain a higher conversion rate, SaaS marketing services providers normally need to engage a large sales team to reach out to customers. If the SaaS marketing services providers cannot control their marketing costs efficiently, large sales and marketing costs may bring a burden on the long-term business operation and impede R&D investment.

## INDUSTRY OVERVIEW

### CHINA'S DIGITAL ADVERTISING SERVICES MARKET

#### Analysis of China's Digital Advertising Services Market

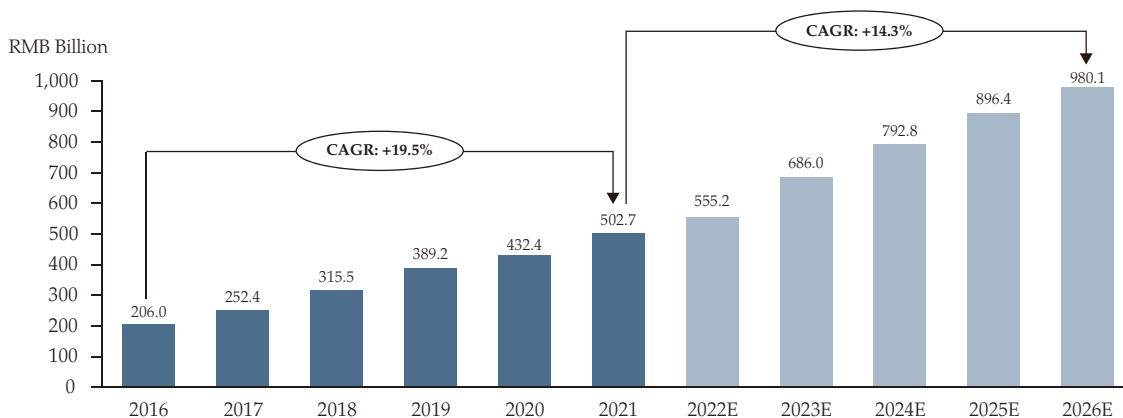
Digital advertising refers to directly marketing and advertising advertisers' brands and products on various online media channels without combining marketing information with IP contents. It offers one-to-one marketing service and serves only one customer within a single marketing event.

Digital advertising also has several advantages compared with other marketing methods since it utilises modern technology to execute the marketing process. Digital advertising services have greater marketing effectiveness to attract new consumers and are able to promote products and services in distance to save time and costs.

#### Market Size of China's Digital Advertising Services Market

Along with growing penetration of internet, digital advertising services market has increased from RMB206.0 billion in 2016 to RMB502.7 billion in 2021 with a CAGR of 19.5%. With the development of new technologies like Big Data and AI, the market size is estimated to grow into RMB980.1 billion in 2026, representing a CAGR of 14.3% from 2021 to 2026.

#### Market Size of Digital Advertising Services Market (China), 2016-2026E



Source: State Administration for Market Regulation, Frost & Sullivan

#### Competitive Landscape of China's Digital Advertising Services Market

It is estimated that there are over 100,000 digital advertising services providers in China in 2021. Top five market players occupied approximately 8.9% market share of total market size. The Group, with revenue of approximately RMB88.0 million in 2021, accounted for approximately 0.02% of China's digital advertising services market in 2021 in terms of revenue.

## INDUSTRY OVERVIEW

### Ranking of Top 5 Digital Advertising Services Companies by Sales Revenue (China), 2021

Rank	Company	Total Revenue (RMB Billion)	Market Share (%)
1	Zhewen Interactive Group	13.5	2.7%
2	Hylink Digital Solution	9.4	1.9%
3	Guangdong Advertising Group	8.1	1.6%
4	Guangdong Tloong Technology Group	8.0	1.6%
5	BlueFocus Intelligent Communications Group	5.3	1.1%
<b>Top 5 Subtotal</b>		<b>44.3</b>	<b>8.9%</b>
<b>Others</b>		<b>458.4</b>	<b>91.1%</b>
<b>Total</b>		<b>502.7</b>	<b>100%</b>

Source: The annual reports of listed companies, Frost & Sullivan Analysis

Notes:

- (1) Zhewen Interactive Group (600986.SH) is a company founded in 1993 and listed on Shanghai Stock Exchange. Headquartered in Beijing, Zhewen Interactive Group offers online marketing, new media marketing and other services.
- (2) Hylink Digital Solution (603825.SH) is a company founded in 1994 and listed on Shanghai Stock Exchange. Headquartered in Beijing, Hylink Digital Solution mainly provides integrated marketing services that cover digital marketing, new retail and content creation.
- (3) Guangdong Advertising Group (002400.SZ) is a company founded in 1981 and listed on Shenzhen Stock Exchange. Headquartered in Guangzhou, Guangdong Advertising Group provides brand marketing, digital advertising, media advertising, content marketing, public relations and other types of one-stop marketing solutions.
- (4) Guangdong Tloong Technology Group (300063.SZ) is a company founded in 2001 and listed on Shenzhen Stock Exchange. Headquartered in Zhaoqing, Guangdong Tloong Technology Group mainly provides advertisers with services such as online marketing, media sourcing, full case planning, short video production, consulting placement and technical support.
- (5) BlueFocus Intelligent Communications Group (300058.SZ) is a company founded in 2002 and listed on Shenzhen Stock Exchange. BlueFocus Intelligent Communications Group provides a wide spectrum of marketing and brand management services, including strategy, digital advertising, media advertising, content marketing, public relations, branding, CRM and mobile solutions, etc.

## INDUSTRY OVERVIEW

### CHINA'S PUBLIC RELATIONS SERVICES MARKET

#### Analysis of China's Public Relations Services Market

The public relations industry belongs to the modern services industry. By fully understanding the communication needs of enterprises and professionally analysing the demands of public groups and media, public relations enterprises can effectively complete planning, activities, manuscripts release and other services. Core businesses of public relations include brand communication, crisis management, digital media marketing, etc. The public relations market can be divided from the perspectives of operation mode and business content.

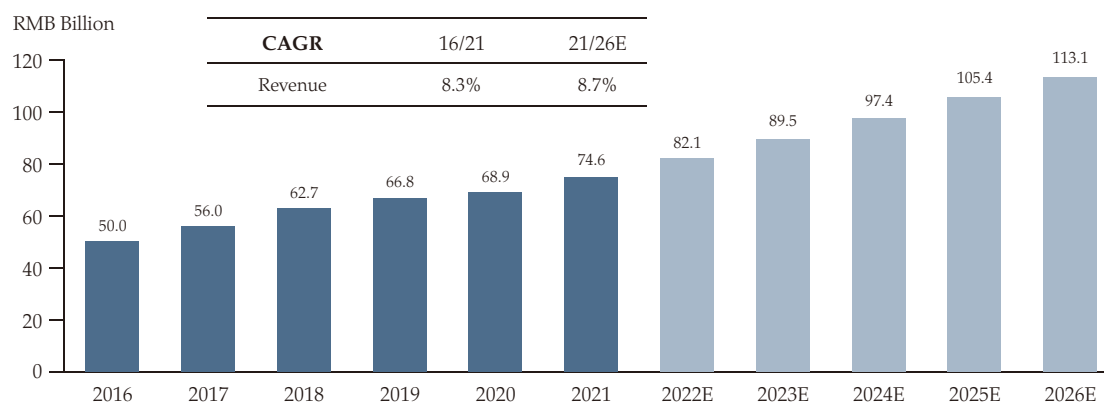
#### Market Size of China's Public Relations Services Market

The market size of public relations market grew from RMB50.0 billion in 2016 to RMB74.6 billion in 2021, representing a CAGR of approximately 8.3%. The market has experienced relatively moderate growth. The size of public relations market is expected to increase steadily to RMB113.1 billion in 2026 with a CAGR of approximately 8.7% from 2021 to 2026.

Meanwhile, the growth of public relations market slowed down in 2019 to 2020 due to impact of COVID-19. The growth rate experienced relatively fast growth in China in 2021.

It is estimated that there are over 100,000 public relations service providers in China in 2021. Top five market players occupied approximately 5% to 10% market share of total market size. The Group, with revenue of approximately RMB25.4 million in 2021, accounted for approximately 0.03% of China's public relations services market share in 2021 in terms of revenue.

#### Market Size of Public Relations Market (China), 2016-2026E



Source: Frost & Sullivan



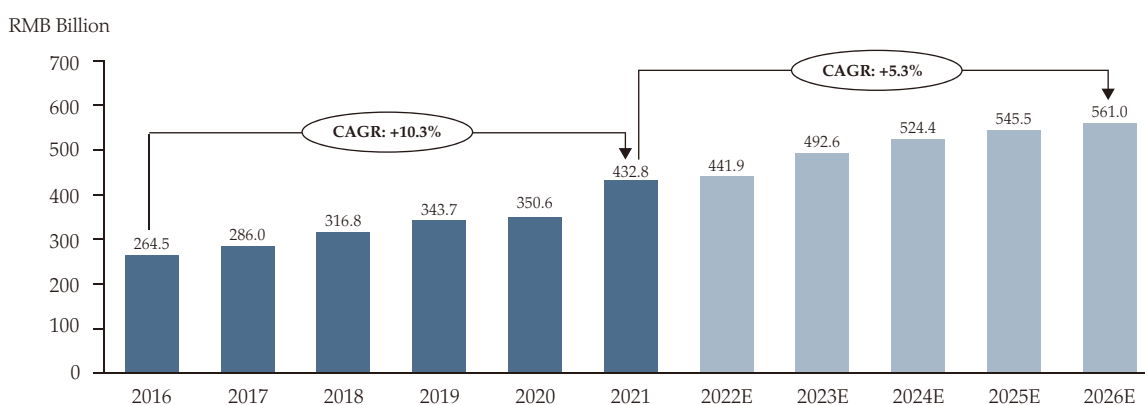
## INDUSTRY OVERVIEW

### CHINA'S MEDIA ADVERTISING SERVICES MARKET

#### Market Size of China's Media Advertising Services Market

Media advertising services refer to media planning services and placement of advertisements on traditional advertising channels, such as television and outdoor public advertising resources, and the market size of media advertising services in China has grown to around RMB432.8 billion in 2021 from RMB264.5 billion in 2016 with a CAGR of 10.3%. It is estimated that the market size will reach RMB561.0 billion in 2026, representing a CAGR of 5.3% from 2021 to 2026.

#### Market Size of Media Advertising Services Market (China), 2016-2026E



Source: Frost & Sullivan

#### Competitive Landscape of China's Media Advertising Services Market

China's media advertising services market was fragmented in 2021. The top 5 media advertising services companies take up approximately 33.6% of China's media advertising services market in 2021.

The Group, with revenue of approximately RMB41.2 million in 2021, accounted for 0.01% of the market share in 2021.

## INDUSTRY OVERVIEW

### Ranking of Top 5 Media Advertising Services Companies by Sales Revenue (China), 2021

Rank	Company	Total Revenue (RMB Billion)	Market Share (%)
1	GroupM	48.7	11.3%
2	Publicis Advertising Co., Ltd.	44.4	10.3%
3	BlueFocus Intelligent Communications Group	27.4	6.3%
4	Leo Group Co., Ltd.	12.7	2.9%
5	Focus Media Information Technology	12.0	2.8%
<b>Top 5 Subtotal</b>		<b>145.2</b>	<b>33.6%</b>
<b>Others</b>		<b>287.6</b>	<b>66.4%</b>
<b>Total</b>		<b>432.8</b>	<b>100%</b>

*Source: The annual reports of listed companies, Frost & Sullivan Analysis*

*Notes:*

- (1) GroupM is a company found in 2007 and a subsidiary of WPP PLC (NYSE: WPP), which is a company listed on New York Stock Exchange. Headquartered in Shanghai, GroupM provides content marketing, digital advertising and other marketing services for different types of domestic and foreign companies.
- (2) Publicis Advertising Co., Ltd. is a company found in 1996 and a subsidiary of Publicis Groupe S.A. (Euronext: PUB), which is a company listed on Euronext Paris Exchange. Headquartered in Guangzhou, Publicis provides media advertising, content marketing, brand design, digital advertising and integrated marketing services for different types of domestic and foreign companies.
- (3) Leo Group Co., Ltd. (002131.SZ) is a company founded in 2001 and listed on Shenzhen Stock Exchange. Headquartered in Wenling, Leo Group Co., Ltd. provides mainly media advertising, digital advertising, content marketing, and social media marketing services.
- (4) Focus Media Information Technology (002027.SZ) is a company founded in 1997 and listed on Shenzhen Stock Exchange. Headquartered in Guangzhou, Focus Media Information Technology provides integrated marketing services, mainly including in-building media and cinema media advertising services.

## REGULATORY OVERVIEW

A summary of the main PRC laws, rules and regulations applicable to our current business and operations is set out below.

### LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT IN THE PRC

#### Industry Catalogue for Foreign Investment

The 2021 Negative List was jointly promulgated by the NDRC and the MOFCOM on 27 December 2021, and became effective on 1 January 2022. It contains a list of sectors that the entry of foreign investment is prohibited or restricted. According to the 2021 Negative List, our PRC subsidiaries do not engage in any restricted or prohibited industries for foreign investment.

#### Regulations on Foreign-invested Enterprises

The Foreign Investment Law was promulgated by the NPC on 15 March 2019 and came into effect on 1 January 2020. The Law of the PRC on Sino-foreign Equity Joint Ventures (《中華人民共和國中外合資經營企業法》), the Law of the PRC on Wholly Foreign-owned Enterprises (《中華人民共和國外資企業法》) and the Law of the PRC on Sino-foreign Cooperative Joint Ventures (《中華人民共和國中外合作經營企業法》) were replaced simultaneously. According to the Foreign Investment Law, the State implements a system of pre-entry national treatment plus Negative List for administration of foreign investment. The pre-entry national treatment means that the treatment granted to foreign investors and their investments in the stage of investment access is no less favourable than that granted to domestic investors and their investments. The Negative List refers to special administrative measures for access of foreign investment in specific fields imposed by the state. The State shall give national treatment to foreign investment beyond the Negative List. Foreign investors may not invest in any field which is prohibited by Negative List. To invest in any field restricted by the Negative List, foreign investors should meet the investment conditions set out in the Negative List. For fields outside of the Negative List, investment administration shall be conducted in accordance with the principle of equal treatment to domestic investment and foreign investment. The organisational forms, structures, and rules of activities of foreign-invested enterprises shall be governed by the provisions of the Company Law of the PRC (《中華人民共和國公司法》) (the “**Company Law**”), the Partnership Enterprise Law of the PRC (《中華人民共和國合夥企業法》) and other applicable laws.

On 26 December 2019, the State Council promulgated the Regulation on Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) (the “**Implementation Regulations**”), which came into effect on 1 January 2020. The Implementation Regulations of the Sino-foreign Equity Joint Ventures Law (《中華人民共和國中外合資經營企業法實施條例》), the Interim Provisions on the Joint Operation Period of Sino-foreign Equity Joint Ventures (《中外合資經營企業合營期限暫行規定》), the Rules for the Implementation of the Law of the PRC on Wholly Foreign-owned Enterprises (《中華人民共和國外資企業法實施細則》) and the Rules for the Implementation of the Law of the PRC on Sino-foreign Cooperative Joint Ventures (《中華人民共和國中外合作經營企業法實施細則》) were replaced simultaneously. As stipulated by the Implementation Regulations, the registration of foreign-invested enterprises shall be conducted in accordance with the

## REGULATORY OVERVIEW

law by the market regulatory department of the State Council or its authorised local counterparts. Foreign investors or foreign-invested enterprises shall report investment information to the competent commerce departments through the enterprise registration system and the enterprise credit information publicity system. The Foreign Investment Law and Implementation Regulations also apply to the investment made within the PRC by foreign-invested enterprises.

On 30 December 2019, Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》) (the “**Reporting Measures**”) was jointly promulgated by the MOFCOM and the State Administration for Market Regulation, effective from 1 January 2020, which further replaced the Provisional Measures on Record-filing Administration over the Establishment and Change of Foreign-invested Enterprises (《外商投資企業設立及變更備案管理暫行辦法》) simultaneously. Pursuant to the Reporting Measures, where foreign investors carry out investment activities in the PRC directly or indirectly, the foreign investors or the foreign-invested enterprise shall report investment information by submitting initial reports, changing reports, deregistration reports, annual reports and etc.

### REGULATIONS RELATING TO OVERSEAS SECURITIES OFFERING AND LISTING

On 24 December 2021, two draft regulations, the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Enterprises (Draft for Comments) (《國務院關於境內企業境外發行證券和上市的管理規定(草案徵求意見稿)》) and the Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Enterprises (Draft for Comments) (《境內企業境外發行證券和上市備案管理辦法(徵求意見稿)》) (the “**Draft Overseas Listing Filing Measures**”), were released by the CSRC for public comments. According to the Draft Overseas Listing Filing Measures, issuers that directly or indirectly offer or list their securities overseas, including (i) any PRC company limited by shares, and (ii) any foreign company that conducts its business operations primarily in China and contemplates to offer or list its securities overseas based on the equities, assets, earnings or other similar interests of a domestic company, shall complete the filing procedures with the CSRC within three business days after submitting their overseas application documents for initial public offering and listing.

According to the Draft Overseas Listing Filing Measures, overseas offerings and listings (i) that are explicitly prohibited by State laws, regulations and relevant provisions, (ii) that constitute threat to or harm to national security as reviewed and determined by competent authorities, (iii) that involve material ownership disputes in equities, major assets, core technologies and other aspects, (iv) where the PRC domestic companies, their controlling shareholders or actual controllers are committed criminal crimes of corruption, bribery, embezzlement of property, misappropriation of property or destruction of the order of socialist market economy in the last three years, or are being investigated by judicial authorities for suspected crimes or are being investigated for suspected major violations of laws and regulations, and (v) where directors, supervisors or senior management have been subject to administrative penalties within the last three years and the circumstances are serious, or are under investigation by the judicial authorities for suspected crimes or are under investigation for suspected major violations

## REGULATORY OVERVIEW

of laws and regulations, and (vi) other circumstances identified by the State Council (together as “**Forbidden Circumstances**”), are explicitly forbidden.

As at the Latest Practicable Date, (i) the Draft Overseas Listing Filing Measures are still in their draft forms and have not come into effect, (ii) neither the CSRC nor any other relevant industry authorities have cited any laws, regulations or regulatory documents currently in effect that expressly require us to comply with any approval, verification or filing procedures in connection with the Listing, and (iii) we have not received any inquiries, notices, warnings or penalties from the CSRC or any other PRC governmental authorities regarding the filing requirements under the new regulatory regime in relation to the proposed Listing, the PRC Legal Advisers are of the view that we are not required to go through the filing procedures with the CSRC in relation to the Listing pursuant to the Draft Overseas Listing Filing Measures as at the Latest Practicable Date. The PRC Legal Advisers are of the view that the Draft Overseas Listing Filing Measures will not have any material adverse impact on the Listing.

To our best knowledge, we believe that we do not fall within any of the Forbidden Circumstances which would prohibit us from conducting overseas offering and listing under the Draft Overseas Listing Filing Measures. Therefore, if the Draft Overseas Listing Filing Measures become effective in their current form, subject to the specific filing procedures expected to be detailed in implementation rules subsequently, our Directors do not foresee any impediment for us to comply with the Draft Overseas Listing Filing Measures in any material aspects.

The PRC Legal Advisers are of the view that if the Draft Overseas Listing Filing Measures are to take effect in their current form, there will be no impediment for the Group to comply with the Draft Overseas Listing Filing Measures in any material respect.

### LAWS AND REGULATIONS RELATING TO ADVERTISING INDUSTRY

#### Advertising Law

The Advertising Law of the PRC (《中華人民共和國廣告法》) (the “**Advertising Law**”) was promulgated by the Standing Committee of the National People’s Congress (the “**NPCSC**”) on 27 October 1994, coming into effect on 1 February 1995, and was amended on 1 September 2015, 26 October 2018 and 29 April 2021. As defined in the Advertising Law, the term “advertisers” refers to any individuals, legal persons or other organisations that, directly or through certain agents, design, produce and publish advertisements for the purpose of promoting products or providing services. The term “advertising agents” refers to any individuals, legal persons or other organisations that are commissioned to provide advertising design, production or agency services. The term “advertising publishers” refers to any individuals, legal persons or other organisations that publish advertisements for the advertisers or for the advertising agents commissioned by the advertisers.

## REGULATORY OVERVIEW

According to the Advertising Law, advertisements shall not contain any false or misleading information, and shall not deceive or mislead consumers. Advertising agents shall, in accordance with the law and administrative regulations, inspect and verify the relevant certification documents, and check the advertising contents. For any advertisement with inconsistent content or incomplete certification documents, advertising agents shall not provide design, production or agent service. Where an advertising agent fails to provide the true name, address, and valid contact information of the advertiser(s), the consumers may require the advertising agent to make advance compensation. Where false advertisements for products or services relating to the life and health of consumers cause damage to the consumers, the advertising agents for such advertisements shall bear joint and several liabilities with the advertisers concerned. Where false advertisements for products or services other than that set out before cause damage to the consumers, in case that the advertising agents for such advertisements still design, produce, provide agency or publish for the advertisements even though they know or should know the advertisements are false, they shall bear joint and several liabilities with the advertiser concerned. Where advertising agents know or should have known the content of the advertisements are false but still provide advertising design, production or agent services in connection with the advertisements, they might be subject to penalties, including confiscation of revenue and fines, revocation of business licences, or even criminal liabilities. Advertisements for medical treatment, pharmaceuticals, medical devices, agricultural pesticides, veterinary medicines and healthcare food, and other advertisements required to be reviewed by laws and administrative regulations shall be reviewed by the relevant authorities before they are published. No such advertisement shall be published without being reviewed.

### **Internet Advertising**

According to the Advertising Law, the use of internet to publish or distribute advertisements shall not affect the normal use of the internet by users. Advertisements published on internet pages such as pop-up advertisements shall be indicated with conspicuous mark for close to ensure the close of such advertisements by one click.

According to the Interim Measures for the Administration of Internet Advertising 《互聯網廣告管理暫行辦法》, which was promulgated by the State Administration for Industry and Commerce on 4 July 2016 and became effective on 1 September 2016, internet advertisers, advertising agents, and/or advertisement publishers must enter into written contracts among them in conducting internet advertising activities. An internet advertising agent shall establish and improve an accepting registration, examination and file management system concerning internet advertising business; examine, verify and record the name, address, existing contact number of each advertiser and other information relating to the subject identity, establish registration files and verify and update them on a regular basis. Internet advertising agents shall verify related supporting documents, check the contents of the advertisement and be prohibited from designing, producing, providing agency services or publishing any advertisement with nonconforming contents or without all the necessary certification documents. Internet advertising agents shall be staffed with advertisement reviews that have acquaintance with advertisement regulations and, where conditions permit, set up a separate functional body for reviewing internet advertisements.



### Outdoor Advertising

According to the Advertising Law, the exhibition and display of outdoor advertisements may not: (i) utilise traffic safety facilities and traffic signs; (ii) impede the use of public facilities, traffic safety facilities, traffic signs, fire extinguishing facilities or fire control signs; (iii) obstruct production or people's living, or damage city appearance; and (iv) be placed in restricted areas near government offices, cultural landmarks or historical or scenic sites, or be placed in areas prohibited by local governments at the county level or above from having outdoor advertisements. Administrative measures for outdoor advertisements shall be prescribed by local regulations and rules of local governments.

### Advertising Fees

According to the Advertising Law, advertising agents shall make public their standards and methods for charging fees.

According to the Provisions on Clearly Marking the Prices of Advertisement Services (《廣告服務明碼標價規定》), which was promulgated by the NDRC and the State Administration for Industry and Commerce on 28 November 2005 and became effective on 1 January 2006, an advertisement business operator shall, when providing services to advertisers, publicise the prices of and fee charges for advertisement services and other relevant contents in accordance with the relevant laws and regulations. The prices of advertisement services shall be subject to market regulation, and shall be independently determined by the advertisement business operators on the basis of the costs of services and the supply and demand in the market. An advertisement business operator may, when clearly marking prices, publicise them in advance by way of media announcement, public notice column, public notice bulletin, price list, handbook of charge rates, internet inquiry, multi-media terminal inquiry, voice messaging, and other methods recognised by the general public, and shall publicise the corresponding inquiry methods or the telephone numbers for the enquiry of clients.

## LAWS AND REGULATIONS RELATING TO COMMERCIAL PERFORMANCE AGENCY SERVICES

According to the Regulations for the Administration of Commercial Performances (《營業性演出管理條例》) (the “**Commercial Performances Regulations**”), which was promulgated by the State Council on 11 August 1997 and last amended on 29 November 2020, entities engaging in commercial performance activities shall first obtain a commercial performance permit from the competent cultural authorities. According to the Commercial Performance Regulations, foreign investors are allowed to establish wholly-owned performance brokerage agencies.

The Implementation Rules of the Commercial Performances Regulations (《營業性演出管理條例實施細則》), which was promulgated by the Ministry of Culture and Tourism of the PRC on 28 August 2009 and last amended on 13 May 2022, set out further detailed guidelines with respect to the administration of commercial performances. Under the Implementation Rules of the Commercial Performances Regulations, performance



## REGULATORY OVERVIEW

brokerage agencies refer to entities engaging in (i) such operating activities as the organisation, making and marketing of performances, (ii) such brokering activities as the intermediacy, agency and commission of performances; and (iii) such brokering activities as signing, promoting and representing performers.

According to the Regulations on Safety Administration of Large-scale Public Activities (《大型群眾性活動安全管理條例》) (the “**Large-scale Public Activities Regulations**”), which was promulgated by the State Council on 14 September 2007 and became effective on 1 October 2007, large-scale public activities refer to the following activities that the legal persons or other organisations hold for the public with the participants expected to reach 1,000 or more: sports competition; culture and artistic performance like concert; exhibition and commodity fair; garden party, lantern festival, temple fair, flower show, fireworks show and other activities; and career fair, lottery sale with the winning number announced on the spot, etc. Security permission system for large-scale public activities is implemented by public security authorities. The county level public security authorities are generally entitled to grant security permission for activities with estimated attendances between 1,000 and 5,000 participants, and the municipal level public security authorities are generally entitled to grant security permission for activities with estimated attendances of more than 5,000 attendees. The organiser of a large-scale public activity (the “**organiser**”) is responsible for the activity’s security. Specifically, the organiser shall work out a security plan for such activity with time, venue, content and way of organisation of the activity; the number of security staff, their assignments and identification signs; emergency-rescue plan, and so on.

### LAWS AND REGULATIONS RELATING TO INFORMATION SECURITY AND PROTECTION

According to the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》), which was promulgated by the NPCSC on 7 November 2016 and became effective on 1 June 2017, network operators shall comply with laws and regulations and fulfil their obligations to safeguard security of the network when conducting business and providing services. The network operator shall not collect the personal information irrelevant to the services it provides or collect or use the personal information in violation of the provisions of laws or agreements between both parties, and network operators of key information infrastructure shall store within the territory of the PRC.

The Data Security Law of the PRC (《中華人民共和國數據安全法》) (the “**Data Security Law**”) was promulgated by the NPCSC on 10 June 2021 and took effect on 1 September 2021. The Data Security Law establishes a classified and tiered system for data protection based on the level of importance of the data in the economic and social development, as well as the level of danger of the data imposed on national security, public interests, or the legal interests of individuals and organisations upon any manipulation, destruction, leakage, illegal acquisition or illegal usage. The data processors shall accord with the provisions of laws and regulations when conducting data processing activities, establish and improve a whole-process data security management system, organise data security educational trainings, and take corresponding technical measures and other necessary measures to safeguard data security.

## REGULATORY OVERVIEW

On 14 November 2021, the Cyberspace Administration of China publicly solicited opinions on the Regulations on the Administration of Cyber Data Security (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》) (the “**Draft Data Security Regulations**”). According to the Draft Data Security Regulations, data processors shall, in accordance with relevant state provisions, apply for cybersecurity review when carrying out the following activities: (1) the merger, reorganisation or separation of internet platform operators that have acquired a large number of data resources related to national security, economic development or public interests, which affects or may affect national security; (2) data processors that handle personal data of more than one million people intend to list in a foreign country; (3) data processors intend to list in Hong Kong, which affects or may affect national security; and (4) other data processing activities that affect or may affect national security. As at the Latest Practicable Date, the Draft Data Security Regulations has not come into effect.

On 28 December 2021, thirteen government departments including the Cyberspace Administration of China jointly promulgated the Cybersecurity Review Measures (《網絡安全審查辦法》) (the “**2022 Review Measures**”, and collectively with the Draft Data Security Regulations, the “**Cybersecurity Regulations**”). The 2022 Review Measures became effective on 15 February 2022, and the Cybersecurity Review Measures promulgated on 13 April 2020 was repealed simultaneously. Under the 2022 Review Measures, (i) where a critical information infrastructure operator procures network products and services, it shall anticipate the national security risks that may be posed by the products and services once they are put into use. Those that affect or may affect national security shall be reported to the Cybersecurity Review Office for cybersecurity review; (ii) online platform operators controlling personal information of more than one million users, which are listing in a foreign country, must apply for cybersecurity review with the Cybersecurity Review Office; and (iii) the Cybersecurity Review Office will conduct cybersecurity review on critical information infrastructure operators and network platform operators in accordance with the laws if it considers necessary.

On 30 July 2021, the State Council promulgated the Security Protection Regulations for Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) (the “**CII Regulation**”), which became effective on 1 September 2021. Pursuant to the CII Regulation, “critical information infrastructures” refers to important network facilities and information systems of key industries such as, among others, public communications and information services, energy, transportation, water conservation, finance, public services, e-government affairs and science, technology and industry for national defence, as well as other important network facilities and information systems that may seriously endanger national security, national economy and citizen’s livelihood and public interests if they are damaged or suffer from malfunctions, or if any leakage of data in relation thereto occurs. The competent governmental authorities as well as the supervision and administrative authorities of the aforementioned important industries (the “**Protection Departments**”) shall promulgate detailed rules in designating critical information infrastructure, identify critical information infrastructure in the relevant industries, and notify operators of such critical information infrastructure in a timely manner. As at the Latest Practicable Date, we had not been notified by any authorities of being classified as a critical information infrastructure operator. Therefore, the obligation for an operator of critical information infrastructure to apply for cybersecurity review shall not be applicable to us as at the Latest Practicable Date.

## REGULATORY OVERVIEW

On 7 January 2022, our PRC Legal Adviser made enquiries with the Cyberspace Administration of China by phone on whether the Company would be required to file a cybersecurity review under the 2022 Review Measures for its Listing in Hong Kong as it is unclear whether the cybersecurity review requirement for “listing in a foreign country” applies to the Company’s Listing in Hong Kong. The Cyberspace Administration of China replied that Hong Kong does not fall within the scope of a “foreign country” and thus the Company’s Listing is not required to file a cybersecurity review under the 2022 Review Measures.

With respect to circumstances that affect or may affect national security, the 2022 Review Measures lists seven factors for consideration but neither the 2022 Review Measures nor the Draft Data Security Regulations gives explicit interpretation on such factors. Competent authorities may have wide discretion to interpret them. Theoretically, if we are deemed to be a data processor that “affects, or may affect, national security”, we may be subject to a cybersecurity review or may be required to apply for a cybersecurity review. Considering the nature of our business, and based on the literal interpretation of the Cybersecurity Regulations, our Directors and our PRC Legal Advisers are of the view that, if the Draft Data Security Regulations remains in its current form after its promulgation, the possibility of the Group’s business operations or the Listing causing national security risks is remote and hence it is unlikely that we would be required to undergo a cybersecurity review for the proposed Listing.

As at the Latest Practicable Date, we had not been notified by any authorities of being classified as a data processor carrying out data processing activities that affect or may affect national security, nor had we been subject to any cybersecurity review, enquiry, investigation or notice by the Cyberspace Administration of China or any other authorities in connection with the proposed Listing.

Therefore, our PRC Legal Advisers are of the view that the Cybersecurity Regulations would not have a material adverse impact on our business operation and the Listing, assuming the Draft Data Security Regulations are implemented in its current form. The Directors are also of the view that the Cybersecurity Regulations will not have a material adverse impact on the Group’s business operation and the Company’s proposed listing in Hong Kong.

## LAWS AND REGULATIONS RELATING TO TAXATION

### Enterprise Income Tax

According to the EIT Law which was promulgated by the NPCSC on 16 March 2007, became effective on 1 January 2008, and was subsequently amended on 24 February 2017 and 29 December 2018 and EIT Rules which was promulgated by the State Council on 6 December 2007, became effective on 1 January 2008, and was amended on 23 April 2019, enterprises are divided into resident enterprises and non-resident enterprises. A resident enterprise shall pay enterprise income tax on its income deriving from both inside and outside China at the rate of enterprise income tax of 25%. A non-resident enterprise that has an establishment or place of business in the PRC shall pay enterprise income tax on its income deriving from inside China and obtained by such establishment or place of

## REGULATORY OVERVIEW

business, and on its income which derives from outside China but has actual relationship with such establishment or place of business, at the rate of enterprise income tax of 25%. A non-resident enterprise that does not have an establishment or place of business in China, or has an establishment or place of business in China but the income has no actual relationship with such establishment or place of business, shall pay enterprise income tax on its income deriving from inside China at the reduced rate of enterprise income tax of 10%.

### Value-Added Tax

Pursuant to the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) (the “**VAT Regulations**”), which was promulgated by the State Council on 13 December 1993 and subsequently amended on 10 November 2008, 6 February 2016 and 19 November 2017, and its implementation rules (《中華人民共和國增值稅暫行條例實施細則》), which were amended by the MOF on 28 October 2011 and became effective on 1 November 2011, entities or individuals engaging in sale of goods, provision of processing services, repairs and replacement services (hereinafter referred to as the “**labour services**”), sale of services, intangible assets, real property or importation of goods within the territory of the PRC shall pay value-added tax. Unless stipulated otherwise, the tax rate for sale of services shall be 6%.

### LAWS AND REGULATIONS RELATING TO DIVIDEND DISTRIBUTION

In accordance with the Company Law and the Foreign Investment Law, foreign-invested enterprises may not distribute after-tax profits unless they have contributed to the funds as required by PRC laws and regulations and have set off financial losses of previous accounting years.

According to the EIT Law and its implementation rules and the Circular of the State Administration of Taxation on Releasing the Schedule of Negotiated Tax Rates for Dividends (國家稅務總局關於下發協定股息稅率情況一覽表的通知), which was promulgated by SAT on 29 January 2008 and became effective on the same day, dividends paid to its foreign investors are subject to a withholding tax rate of 10%, unless relevant tax agreements entered into by the PRC government provide otherwise.

The PRC and the government of Hong Kong entered into the Arrangement between the Mainland of the PRC and Hong Kong for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (the “**Arrangement**”) on 21 August 2006. According to the Arrangement, the withholding tax rate on dividends paid by a PRC company to a Hong Kong resident is 5%, provided that such Hong Kong resident directly holds at least 25% of the equity interests in the PRC company, and 10% if the Hong Kong resident holds less than 25% of the equity interests in the PRC company, respectively.

## REGULATORY OVERVIEW

Pursuant to the Circular of the State Administration of Taxation on Relevant Issues relating to the Implementation of Dividend Clauses in Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》), which was promulgated by SAT on 20 February 2009 and became effective on the same day, all of the following requirements shall be satisfied where a fiscal resident of the other party to a tax agreement needs to be entitled to such tax agreement treatment as being taxed at a tax rate specified in the tax agreement for the dividends paid to it by a Chinese resident company: (i) such a fiscal resident who obtains dividends should be a company as provided in the tax agreement; (ii) owner's equity interests and voting shares of the Chinese resident company directly owned by such a fiscal resident reaches a specified percentage; and (iii) the equity interests of the Chinese resident company directly owned by such a fiscal resident, at any time during the twelve months prior to the obtainment of the dividends, reach a percentage specified in the tax agreement.

According to the Administrative Measures for Non-resident Taxpayers' Enjoyment of the Treatment under Treaties (《非居民納稅人享受協定待遇管理辦法》) (the "**Administrative Measures**"), which was promulgated by the SAT on 14 October 2019 and became effective on 1 January 2020, non-resident taxpayers can enjoy tax treaty benefits via the "self-assessment of eligibility, claiming treaty benefits, retaining documents for inspection" mechanism. Non-resident taxpayers can claim tax treaty benefits after self-assessment provided that relevant supporting documents shall be collected and retained for post-filing inspection by the tax authorities.

### LAWS AND REGULATIONS RELATING TO LABOUR

#### Labour Law

The Labour Law of the PRC (《中華人民共和國勞動法》) (the "**Labour Law**") was promulgated by the NPCSC on 5 July 1994 and was last amended on 29 December 2018. The Labour Law regulates the issues relating to employment promotion, labour contracts, working hours, rest and vacations, wages, labour safety and health, special protection of female and underage workers, vocational training, social insurance and welfare, labour disputes, supervision and inspection, legal liabilities.

#### Labour Contract Law

The Labour Contract Law of the PRC (《中華人民共和國勞動合同法》) (the "**Labour Contract Law**"), which was promulgated by NPCSC on 29 June 2007 and became effective on 1 January 2008 and whose amendments made on 28 December 2012 and became effective on 1 July 2013, together with the Regulations on the Implementation of the Labour Contract Law (《中華人民共和國勞動合同法實施條例》) which was promulgated by the State Council on 18 September 2008 and came into effect on the same day, governs the relationship between employers and employees and provides for specific provisions in relation to the terms and conditions of an employment contract. The Labour Contract Law stipulates that employment contracts must be in writing and signed. It imposes more stringent requirements on employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees.



### Employee Social Insurance and Housing Provident Funds

Under applicable PRC laws and regulations, including the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was promulgated by NPCSC on 28 October 2010 and subsequently amended on 29 December 2018 and became effective on 29 December 2018, and the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), which was promulgated by the State Council on 3 April 1999 and most recently amended on 24 March 2019, employers and/or employees (as the case may be) are required to contribute to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, maternity leave insurance, and to housing provident funds. These payments are made to local administrative authorities and employers who fail to contribute may be fined and ordered to rectify within a stipulated time limit.

### LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

In accordance with the Foreign Exchange Administrative Regulations of the PRC (《中華人民共和國外匯管理條例》), which was promulgated by the State Council on 29 January 1996 and last amended on 5 August 2008, Renminbi is generally freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but are not freely convertible for capital account items, such as capital transfer, direct investment, investment in securities, derivative products or loans unless prior approval by the competent authorities for the administration of foreign exchange is obtained.

Under applicable PRC laws and regulations, including Circular of the State Administration of Foreign Exchange on Issues concerning Foreign Exchange Administration over the Overseas Investment and Financing and Round-Trip Investments by Domestic Residents via Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (the “**Circular 37**”), which was promulgated by the SAFE and became effective on 4 July 2014, and Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (the “**Circular 13**”), which was promulgated by the SAFE on 13 February 2015 and subsequently modified and effective on 30 December 2019, (i) the SAFE and its branches carry out registration management for domestic residents’ establishment of Special Purpose Vehicle (the “**SPV**”); (ii) the foreign exchange registration under domestic direct investment and the foreign exchange registration under overseas direct investment have been already directly reviewed and handled by banks in accordance with the Circular 13, the SAFE and its branches shall perform indirect regulation over the direct investment-related foreign exchange registration via banks; (iii) a domestic resident may choose at its own will, before contributing the domestic and overseas lawful assets or interests to a SPV, any bank at its place of incorporation to handle the direct investment-related foreign exchange registration, and may handle the follow-up business including opening of direct investment-related account and funds transfer (including the outward or inward remittance of profits and dividends) only upon completion of the direct investment-related foreign exchange registration; and (iv) when the overseas SPV’s basic

## REGULATORY OVERVIEW

information, such as domestic individual resident shareholder, name, operating period, or major events, such as domestic individual resident capital increase, capital reduction, share transfer or exchange, merger or division has changed, the foreign exchange change registration of overseas investments shall be timely finished in the relevant bank.

### LAWS AND REGULATIONS RELATING TO MERGERS AND ACQUISITIONS BY FOREIGN INVESTORS

The M&A Rules was promulgated by MOFCOM, the State Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會), the SAT, the SAIC, the CSRC and the SAFE on 8 August 2006, became effective on 8 September 2006 and amended on 22 June 2009 by MOFCOM. Under the M&A Rules, the following scenarios qualify as an acquisition of a domestic enterprise by a foreign investor:

- a foreign investor purchases the equity interests of a domestic enterprise without foreign investment or subscribes for the increased capital of a domestic enterprise without foreign investment, and thus converts the domestic enterprise without foreign investment into a foreign-invested enterprise;
- a foreign investor establishes a foreign-invested enterprise and use such foreign-invested enterprise to purchase by agreement the assets of a domestic enterprise and operates such assets; or
- a foreign investor purchases by agreement the assets of a domestic enterprise and then contributes such assets as capital to the establishment of a foreign-invested enterprise and operates such assets.

### LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY

#### Regulations on Trademarks

The Trademark Law of the PRC (《中華人民共和國商標法》) (the “**Trademark Law**”) was promulgated by the NPCSC on 23 August 1982 and was last amended on 23 April 2019, respectively, and the Implementation Regulations on the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) were promulgated on 3 August 2002 by the State Council and was amended on 29 April 2014. The Trademark Law and its implementation regulations provide the basic legal framework for the regulations of trademarks in China. In China, registered trademarks include commodity trademarks, service trademarks, collective marks and certificate marks. The Trademark Office under SAIC is responsible for the registration and administration of trademarks throughout the country. Trademarks are granted on a term of ten years, commencing from the date of registration approval. Twelve months prior to the expiration of the ten-year term, an applicant can renew the application and reapply for trademark protection.



### Regulations on Copyrights

According to the Copyright Law of the PRC (《中華人民共和國著作權法》), which was promulgated by the NPCSC on 7 September 1990 and last amended on 11 November 2020 with effect from 1 June 2021, Chinese citizens, legal persons or other organisations shall, whether published or not, enjoy copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software.

The Regulations on Computer Software Protection (《計算機軟件保護條例》) was promulgated by the State Council on 20 December 2001 and last amended on 30 January 2013 with effect from 1 March 2013. It stipulates that Chinese citizens, legal persons, or other organisations are entitled to the copyright in software developed thereby, under these regulations, whether published or not. Software copyright owners may register with software registration organisations recognised by the copyright administration department under the State Council. The registration certificate issued by the designated organisation is the preliminary proof of the registered items.

The Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) which was issued by the National Copyright Administration on 20 February 2002, came into effect on the same day and was last amended on 19 May 2004, regulates the registration of software copyright, exclusive licensing contracts and transfer contracts of software copyright. The National Copyright Administration shall be the competent authority of the nationwide administration of software copyright registration and the Copyright Protection Centre of China (中國版權保護中心) is designated as the software registration authority.

### Regulations on Domain Names

According to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》), which was promulgated by the MIIT on 24 August 2017 and became effective on 1 November 2017, efforts to undertake internet domain name services as well as the operation, maintenance, supervision and administration thereof and other relevant activities within the territory of the PRC shall be made in compliance with the Administrative Measures for Internet Domain Names. The MIIT is the major regulatory authority responsible for the administration of the PRC Internet domain names. The principle of “first apply, first register” is adopted for domain name registration in the PRC.

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

### OVERVIEW

Our history began in 2012 with the establishment of Xiamen Many Idea, a company carrying our Group's principal business prior to the Reorganisation, by Mr. Liu with his personal funds. We have since then been led by Mr. Liu, who is one of our controlling shareholders and a veteran in the integrated marketing solutions services and advertising industries. For the purpose of the Listing, our Group underwent the Reorganisation, through which, amongst others, the relevant assets and liabilities of Xiamen Many Idea and Beijing Many Idea relating to the integrated marketing solutions services were transferred to Xiamen Instant Interactive on 1 December 2021. As a result of the Business Transfer, Xiamen Many Idea and Beijing Many Idea were no longer part of our Group. For details, please refer to the paragraph headed "— Reorganisation" in this section of this prospectus.

The table below sets out some of our major events and milestones in the development of our business up to the Latest Practicable Date:

<b>Year</b>	<b>Major events and milestones</b>
2012	Xiamen Many Idea was established for our public relations event planning business
2015	We expanded our business to digital marketing and media advertising  Trading of shares of Xiamen Many Idea commenced on the NEEQ (stock code: 835212) in December
2016	We expanded our business to content marketing
2020	Awarded the 2020 CAMA China Advertising Marketing Award — "Integrated Marketing Company of the Year"* (2020 CAMA中國廣告營銷大獎「年度整合營銷公司」)  Delisting from the NEEQ was completed in November
2021	We launched Content Engine (內容引擎), our SaaS interactive marketing platform

# HISTORY, REORGANISATION AND CORPORATE STRUCTURE

## CORPORATE DEVELOPMENT AND OUR GROUP

The table below sets out brief details of our Company and its subsidiaries as at the Latest Practicable Date:

	Date of incorporation/ establishment	Place of incorporation/ establishment	Amount of registered capital/ authorised/ issued share capital	Amount of paid up capital	Principal operating activities
1. Our Company	10 June 2021	Cayman Islands	HK\$390,000	HK\$4,475,5510	Investment holding
2. Many Idea BVI	9 July 2021	BVI	US\$50,000	US\$1	Investment holding
3. Many Idea HK	26 July 2021	Hong Kong	HK\$1	HK\$1	Investment holding
4. WFOE	26 November 2021	PRC	RMB200 million	Nil <sup>(Note 1)</sup>	Investment holding
5. Xiamen Instant Interactive	11 May 2021	PRC	RMB300 million	RMB69.66 million <sup>(Note 2)</sup>	Provision of integrated marketing services
6. Xiamen Second Future	14 July 2016	PRC	RMB50 million	RMB5 million <sup>(Note 3)</sup>	Provision of SaaS interactive marketing services
7. Quanzhou Many Idea	2 July 2018	PRC	RMB5 million	RMB5 million	Provision of integrated marketing services
8. Jiangxi Meita	6 June 2016	PRC	RMB15 million	RMB15 million	Provision of integrated marketing services
9. Xinjiang Kashi	5 April 2016	PRC	RMB5 million	RMB5 million	Provision of integrated marketing services
10. Shanghai Senyu	12 December 2012	PRC	RMB30 million	RMB1 million <sup>(Note 4)</sup>	Provision of integrated marketing services
11. Hainan Many Idea	19 March 2021	PRC	RMB5 million	Nil <sup>(Note 5)</sup>	Provision of integrated marketing services
12. Beijing Many Idea Cloud	24 November 2021	PRC	RMB1 million	RMB10,000 <sup>(Note 6)</sup>	Provision of integrated marketing services
13. Xinjiang Many Idea Cloud	9 May 2022	PRC	RMB5 million	Nil <sup>(Note 7)</sup>	Provision of integrated marketing services

*Notes:*

- (1) According to the articles of association of WFOE, the registered capital of WFOE has to be fully paid up by November 2061.
- (2) According to the articles of association of Xiamen Instant Interactive, the registered capital of Xiamen Instant Interactive has to be fully paid up by May 2061.
- (3) According to the articles of association of Xiamen Second Future, the registered capital of Xiamen Second Future has to be fully paid up by July 2046.
- (4) According to the articles of association of Shanghai Senyu, the registered capital of Shanghai Senyu has to be fully paid up by May 2061.
- (5) According to the articles of association of Hainan Many Idea, the registered capital of Hainan Many Idea has to be fully paid up by March 2041.

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

- (6) According to the articles of association of Beijing Many Idea Cloud, the registered capital of Beijing Many Idea Cloud has to be fully paid up by November 2051.
- (7) According to the articles of association of Xinjiang Many Idea Cloud, the registered capital of Xinjiang Many Idea Cloud has to be fully paid up by December 2042.

### **1. Our Company**

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on 10 June 2021. At the time of its incorporation, the initial authorised share capital of our Company was HK\$390,000 divided into 3,900,000,000 Shares of HK\$0.0001 each. On the date of its incorporation, one Share was allotted, issued to, and fully paid by the initial subscriber, who then on the same day transferred that one Share to Many Idea Liujianhui which was wholly owned by Mr. Liu.

For further shareholding changes of our Company for the purpose of the Reorganisation, please refer to the paragraph headed “— Reorganisation” in this section of this prospectus.

### **2. Many Idea BVI**

Many Idea BVI was incorporated as an investment holding company in the BVI with limited liability on 9 July 2021. The number of authorised shares of Many Idea BVI is 50,000 shares of US\$1 each. On 9 July 2021, one share in Many Idea BVI was allotted, issued to, and fully paid by our Company. As a result, Many Idea BVI became a direct wholly owned subsidiary of our Company.

### **3. Many Idea HK**

Many Idea HK is an investment holding company which was incorporated in Hong Kong on 26 July 2021. On the date of its incorporation, one share in Many Idea HK was allotted, issued to, and fully paid by Many Idea BVI at a total subscription price of HK\$1. As a result, Many Idea HK became wholly owned by Many Idea BVI.

### **4. WFOE**

WFOE is a wholly foreign owned enterprise established by Many Idea HK in the PRC on 26 November 2021. As at the date of its establishment, the registered capital of WFOE was RMB1 million. On 29 December 2021, the registered capital of WFOE increased from RMB1 million to RMB200 million. WFOE has been wholly owned by Many Idea HK since its establishment.

### **5. Xiamen Instant Interactive**

Xiamen Instant Interactive was established in the PRC on 11 May 2021. As at the date of its establishment, the registered capital of Xiamen Instant Interactive was RMB100,000 and was held as to 90% by Mr. Liu and 10% by Ms. Qu.

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

On 7 June 2021, the registered capital of Xiamen Instant Interactive increased from RMB100,000 to RMB1 million with 90% contributed by Mr. Liu and 10% contributed by Ms. Qu. The amount of the registered capital, being RMB1 million had been paid up in full by July 2021.

For subsequent changes of shareholding of Xiamen Instant Interactive in the course of the Reorganisation, please refer to the paragraph headed “— Reorganisation — 1. Incorporation of Xiamen Instant Interactive” in this section of this prospectus.

Further, on 17 December 2021, the registered capital of Xiamen Instant Interactive increased from RMB1 million to RMB300 million, with the additional registered capital, being RMB299 million to be contributed by Many Idea HK. Subsequent to the increase in registered capital, Xiamen Instant Interactive was owned as to 99.6755% by Many Idea HK and 0.3245% by WFOE.

### **6. Xiamen Second Future**

Xiamen Second Future was established in the PRC on 14 July 2016. At the time of its establishment, the registered capital of Xiamen Second Future was RMB5 million and was wholly owned by Xiamen Many Idea. On 23 February 2022, the registered capital of Xiamen Second Future increased from RMB5 million to RMB50 million.

### **7. Quanzhou Many Idea**

Quanzhou Many Idea was established in the PRC on 2 July 2018. At the time of its establishment, the registered capital of Quanzhou Many Idea was RMB5 million and was wholly owned by Xiamen Many Idea.

### **8. Jiangxi Meita**

Jiangxi Meita was established in the PRC on 6 June 2016. At the time of its establishment, the registered capital of Jiangxi Meita was RMB5 million and was wholly owned by Xiamen Many Idea. On 20 June 2016, the registered capital was increased from RMB5 million to RMB15 million.

### **9. Xinjiang Kashi**

Xinjiang Kashi was established in the PRC on 5 April 2016. At the time of its establishment, the registered capital of Xinjiang Kashi was RMB5 million and was wholly owned by Xiamen Many Idea.

### **10. Shanghai Senyu**

Since May 2014, Shanghai Senyu became a wholly-owned subsidiary of Xiamen Many Idea. On 22 November 2019, the registered capital of Shanghai Senyu increased from RMB1 million to RMB30 million.

Upon completion of the Business Transfer, the entire equity interests of each of Xiamen Second Future, Quanzhou Many Idea, Jiangxi Meita, Xinjiang Kashi and Shanghai Senyu were transferred to Xiamen Instant Interactive. For details, please refer to the paragraph headed “— Reorganisation” in this section of this prospectus.

### **11. Hainan Many Idea**

Hainan Many Idea was established in the PRC on 19 March 2021. At the time of its establishment, the registered capital of Hainan Many Idea was RMB5 million and was wholly owned by Xiamen Second Future.

### **12. Beijing Many Idea Cloud**

Beijing Many Idea Cloud was established in the PRC on 24 November 2021. As at the date of its establishment, the registered capital of Beijing Many Idea Cloud was RMB990,000 and was wholly owned by Xiamen Instant Interactive. On 1 December 2021, the registered capital of Beijing Many Idea Cloud increased from RMB990,000 to RMB1 million with 99% contributed by Xiamen Instant Interactive and 1% contributed by Mr. Liu. The amount of increase in the registered capital, being RMB10,000 had been fully paid up in December 2021.

### **13. Xinjiang Many Idea Cloud**

Xinjiang Many Idea Cloud was established in the PRC on 9 May 2022. At the time of its establishment, the registered capital of Xinjiang Many Idea Cloud was RMB5 million and was wholly owned by Xiamen Second Future.

## **EXCLUDED COMPANIES**

### **1. Xiamen Many Idea**

Xiamen Many Idea was established as a limited liability company in the PRC on 21 May 2012. Since May 2014, Xiamen Many Idea became wholly-owned by our Controlling Shareholders, and was owned as to 80% by Mr. Liu and 20% by Ms. Qu.

### **Listing of Xiamen Many Idea on the NEEQ in 2015 and Subsequent Delisting in 2020**

#### *Background and Rationale for Listing on the NEEQ*

It has been the goal of Mr. Liu, the founder of our Group, to get our Group listed in order to support its growth and financing needs. In view that the NEEQ is designed for innovative, start-up, and high-growth micro, small and medium-sized enterprises and qualified joint-stock companies in the PRC and in light of the relatively short history of Xiamen Many Idea back then, the NEEQ was considered by Xiamen Many Idea as a suitable venue for its first presence in the open market trading platform in 2015. Since mid-2015, we started the preparation for the NEEQ listing and on 31 December 2015, all issued shares of Xiamen Many Idea were listed and quoted for trading on the NEEQ (stock code: 835212).

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Having gained the experience of “first going to public” at the NEEQ since 2015, in late 2017, Xiamen Many Idea considered that, with its positive and solid business growth over previous years, the management of Xiamen Many Idea considered that it would be an appropriate timing for it to consider getting listed on a more sophisticated stock exchange, for instance, The Shenzhen Stock Exchange.

Our Directors considered that the delisting from the NEEQ followed by seeking to get the business of our Group listed on other trading platforms with higher trading volume and more comprehensive fundraising tools would be in the interest of our Group and its Shareholders as a whole.

As a result, Xiamen Many Idea has commenced preparation of listing and has filed a formal listing application to the CSRC on 19 June 2019 and subsequently to The Shenzhen Stock Exchange on 20 June 2020 after the implementation of the registration system (註冊制) for Reform of ChiNext. According to the “Announcement on the Results of the 27th Review Meeting of the ChiNext Listing Committee in 2020” (創業板上市委員2020年第27次審議會議結果公告) issued by the Listing Review Centre of The Shenzhen Stock Exchange (深圳證券交易所上市審核中心) (the “**Review Results**”) in September 2020, Xiamen Many Idea’s listing application for the A Share Listing has passed the review of the listing committee of ChiNext of The Shenzhen Stock Exchange (the “**ChiNext Listing Committee**”). Following which, Xiamen Many Idea applied to National Equities Exchange and Quotations Co., Ltd (the “**NEEQ Co., Ltd.**”) for delisting from the NEEQ, and the NEEQ Co., Ltd. approved the delisting of the shares of Xiamen Many Idea from the NEEQ with effect from 12 November 2020. The market capitalisation of Xiamen Many Idea immediately before delisting from the NEEQ was approximately RMB111.94 million, representing the closing price of Xiamen Many Idea of RMB2.20 per share on 15 January 2019, being the last trading date of Xiamen Many Idea on the NEEQ prior to the delisting, times 50,880,001 shares of Xiamen Many Idea on the same date. Considering that the low trading volume of Xiamen Many Idea’s shares when it was quoted on the NEEQ, our Directors were of the view that such market capitalisation merely represents a calculation of a quoted price times number of shares, which may not be reflective to the valuation of Xiamen Many Idea at the material time.

Our Directors confirmed that (i) during the period in which the shares of Xiamen Many Idea were listed on the NEEQ, Xiamen Many Idea and its subsidiaries and their respective directors, supervisors and senior management were not involved in any breach of the applicable rules or regulations of the NEEQ in all material aspects; and (ii) there has not been any matter that need to be brought to the attention of the regulators and investors in Hong Kong in respect of Xiamen Many Idea’s listing on and delisting from the NEEQ.

The PRC Legal Advisers are of the view that during the period in which the shares of Xiamen Many Idea were listed on the NEEQ, neither Xiamen Many Idea and its subsidiaries nor their respective directors, supervisors, and senior management were involved in any material breach of the applicable rules or regulations of the NEEQ and each of the party had not been subject to any material disciplinary actions taken by relevant regulators.

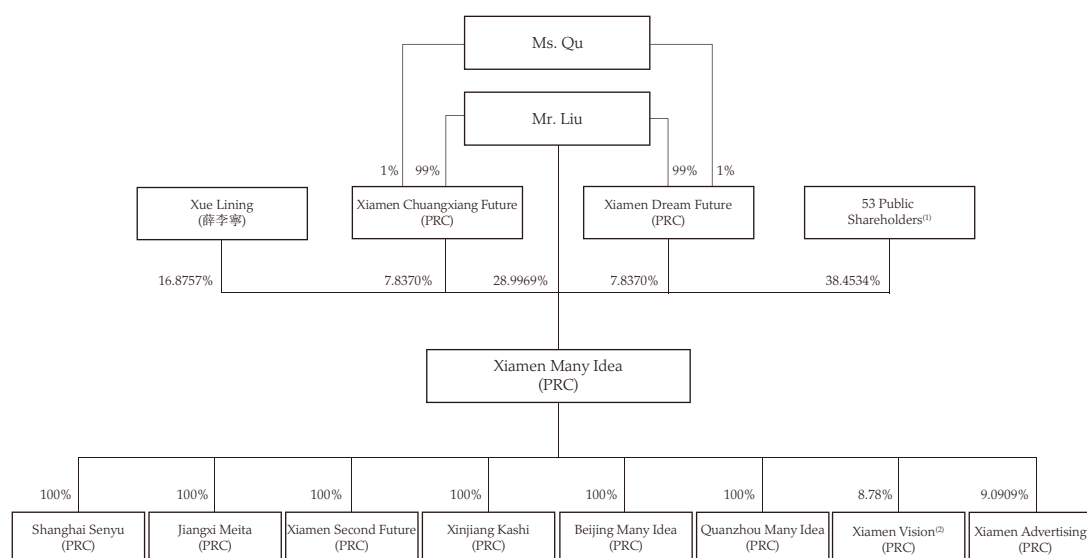


## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Having considered the views from the PRC Legal Advisers as mentioned above and conducted relevant due diligence works, the Sole Sponsor was of the view that our Company and/or Directors have not been the subject of any disciplinary investigation by the NEEQ in relation to any serious or potential serious breach of applicable laws, regulations and listing rules of NEEQ and there are no other matters relating to the delisting from the NEEQ which are required to be brought to the attention of the Hong Kong Stock Exchange.

Further, as advised by the PRC Legal Advisers, Xiamen Many Idea's delisting from the NEEQ was duly completed and the necessary approvals have been obtained.

The shares of Xiamen Many Idea ceased to be listed on the NEEQ on 12 November 2020. The diagram below illustrates our shareholding and corporate structure immediately after the delisting from the NEEQ:



*Notes:*

1. These 38.4534% interests in Xiamen Many Idea were held by 53 public shareholders, each which held less than 5% interests in Xiamen Many Idea.
2. The remaining shares of Xiamen Vision were owned as to 30.73% by Ningbo Meishan Bonded Port District Jiade Zhang Rong Investment Partnership (Limited Partnership)\* (寧波梅山保稅港區嘉德長榮投資合夥企業(有限合夥)) (“**Ningbo Meishan**”), 12.29% by Shangrao Junlei Consulting Service Centre (Limited Partnership)\* 上饒市君雷諮詢服務中心(有限合夥)) (“**Shangrao Junlei**”), 9.66% by Huaihua Maoyan Enterprise Consulting Management Partnership (Limited Partnership)\* 懷化茂衍企業諮詢管理合夥企業(有限合夥)) (“**Huaihua Maoyan**”), 35.12% by Xiamen Yiding Financial Consulting Partnership (Limited Partnership)\* 廈門鈺鼎財務諮詢合夥企業(有限合夥)) (“**Xiamen Yiding**”) and 3.42% by Zaozhuang Shuoyu Equity Investment Fund Partnership (Limited Partnership)\* 棗莊碩昱股權投資基金合夥企業(有限合夥)) (“**Zaozhuang Shuoyu**”).
3. The remaining shares of Xiamen Advertising were owned as to 31.8182% by Ningbo Meishan, 9.66% by Huaihua Maoyan, 9.6473% by Ningbo Juxu Enterprise Management Consulting Partnership (Limited Partnership)\* 寧波聚蓄企業管理諮詢合夥企業(有限合夥)) (“**Ningbo Juxu**”), 36.3636% by Xiamen Yiding and 3.42% by Zaozhuang Shuoyu.
4. Xiamen Many Idea was a company carrying out our Group's principal business prior to the Reorganisation. For details, please refer to the paragraph headed “— Reorganisation — 10. Execution of the Business Transfer Agreement and Transfer of Equity Interests of Other Subsidiaries” in this section of this prospectus.

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Following the delisting from the NEEQ and to further consolidate his interests in Xiamen Many Idea, Mr. Liu, through Xiamen Dream Future, acquired the interests from certain the shareholders of Xiamen Many Idea, details of which were set out below:

Date of transfer	Transferors	Transferee	Number of shares of Xiamen Many Idea transferred	Consideration (RMB)	Price per share (RMB)	
1.	3 March 2021	Mr. Liu	Xiamen	3,688,400	3,688,400.00	1.00
2.	8 March 2021	Ms. Qu	Dream	2,295,249	2,295,249.00	1.00
3.	8 March 2021	Yu Qianjing (余前景)	Future	1,017,753	14,452,092.60	14.20
4.	8 March 2021	Xie Jian (謝健)		55,267	784,791.40	14.20
5.	8 March 2021	Hu Qinglin (胡清林)		39,875	566,225.00	14.20
6.	8 March 2021	Peng Wu (彭武)		13,290	188,718.00	14.20
7.	8 March 2021	Zhu Lili (朱麗麗)		4,431	62,920.00	14.20
8.	8 March 2021	Lu Xuewu (呂學武)		2,215	31,453.00	14.20
9.	8 March 2021	Zhuang Shufu (莊樹福)		2,215	31,453.00	14.20
10.	8 March 2021	Yu Miao (余淼)		2,215	31,453.00	14.20
<b>Total</b>			<b>7,120,910</b>	<b>22,132,755.00</b>		

### Pre-IPO Investments at Xiamen Many Idea Level

32 completed transactions involving the transfer of an aggregate of 8,728,973 shares of Xiamen Many Idea to new purchasers or the then equity holders of Xiamen Many Idea occurred from May 2021 to November 2021. These share transfers did not involve any new issue of shares by Xiamen Many Idea, and Xiamen Many Idea did not receive any amount of consideration from these share transfers.

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

The table below sets forth a list of transferors and transferees and amount of consideration involved in relation to the transfers of shares taking place from May 2021 to November 2021:

	Date of transfer	Transferors	Transferees	Number of issued shares of Xiamen Many Idea transferred	Consideration (RMB)	Price per share (RMB)
1.	26 May 2021	Chen Changkai (陳昌概)	Ningbo Qichen Huamei Equity Investment Fund Partnership (Limited Partnership)* 寧波啟辰華美股權投資基金合夥企業 (有限合夥)	591,030	4,507,100.00	7.63
2.	26 May 2021	Cheng Fang (程芳)		743,641	7,892,400.00	10.61
3.	4 June 2021	Changxing Qianrun Equity Investment Centre (Limited Partnership)* (長興乾潤股權投資中心 (有限合夥))	Hu Xiaowei (胡曉偉)	921,547	11,000,000.00	11.94
4.	18 June 2021	Ling Shuyang (凌舒揚)	Cai Haixu (蔡海旭)	119,624	1,060,000.00	8.86
5.	25 June 2021	Xiamen Huirong Technology Investment Co., Ltd.* (廈門市惠融科技投資有限公司)	Liu Mingming (劉鳴鳴)	310,136	716,414.16	2.31
6.	1 July 2021	Yan Huanan (顏華南)	Chen Jincheng (陳金城)	460,774	3,031,392.00	6.58
7.	16 July 2021	Wang Anlin (王安琳)	Hainan Wutong Xinhe Investment Holdings Co., Ltd.* (海南梧桐信合投資控股有限公司)	1,019,017	12,000,000.00	11.78
8.	19 July 2021	Chen Jinzhen (陳金針)	Wu Rongzhao (吳榮照)	507,783	5,239,500.00	10.32
9.	19 July 2021	Xiamen Dream	Wu Rongzhao (吳榮照)	508,800	7,200,000.00	14.15
10.	22 July 2021	Future	Li Dong (李東)	508,800	7,500,000.00	14.74
11.	15 July 2021		Pingtian Guotai Jiaze Investment Management Partnership (Limited Partnership)* (平潭國泰嘉澤投資管理合夥企業 (有限合夥))	339,200	5,000,000.00	14.74
12.	25 June 2021		Liu Yanhua (劉艷華)	293,069	5,000,000.00	17.06
13.	23 July 2021		Hu Xiaowei (胡曉偉)	363,429	5,000,000.00	13.76
14.	25 July 2021		BKDR Investment Holdings Co., Ltd.* (寶凱道融投資控股有限公司)	508,800	7,500,000.00	14.74

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

	Date of transfer	Transferors	Transferees	Number of issued shares of Xiamen Many Idea transferred	Consideration (RMB)	Price per share (RMB)
15.	26 July 2021	Chen Hao (陳皓)	Zhang Yan (張燕)	44,305	320,000.00	7.22
16.	26 July 2021	Xu Shaoyuan (徐紹元)		3,053	38,083.79	12.47
17.	26 July 2021	Yang Jing (楊靜)		1,000	15,720.00	15.72
18.	6 August 2021	Liu Mingming (劉鳴鳴)		200,000	2,110,000.00	10.55
19.	21 July 2021	Dong Yuqin (董玉琴)	Wang Wenwen (王文雯)	4,431	54,448.00	12.29
20.	26 July 2021	Zhao Xiujun (趙秀君)		2,215	22,150.00	10.00
21.	26 July 2021	Shen Guiqin (申貴芹)		2,215	15,000.00	6.77
22.	26 July 2021	Zhang Xianzhu (張憲鑄)		2,215	19,000.00	8.58
23.	26 July 2021	Niu Jianjun (牛建軍)	Mr. Chen ZM	2,215	44,300.00	20.00
24.	26 July 2021	Wu Tianli (吳天麗)		2,215	27,218.00	12.29
25.	3 August 2021	Wang Weiran (王蔚冉)		2,215	26,757.20	12.08
26.	6 August 2021	Liu Mingming (劉鳴鳴)		110,136	1,161,935.00	10.55
27.	26 July 2021	Xu Xincheng (徐新生)	Mr. Liu	117,354	850,000.00	7.24
28.	5 August 2021	Feng Bin (馮賓)		4,431	44,310.00	10.00
29.	5 August 2021	Yu Junfei (虞君飛)		11,077	120,757.44	10.90
30.	13 August 2021	Li Meng (李萌)		4,431	29,244.60	6.60
31.	28 August 2021	Chen Jian (陳建)	Shanghai Guardian Internet Financial Information Service Co., Ltd.* (上海守護者互聯網金融信息服務有限公司)	2,215	17,146.80	7.74
32.	15 September 2021	Xiamen Dream Future		1,017,600	20,000,000.00	19.65
<b>Total</b>				<b>8,728,973</b>		

# HISTORY, REORGANISATION AND CORPORATE STRUCTURE

These transfers were regarded as pre-IPO investments. Set out below are certain details of such pre-IPO investments at Xiamen Many Idea level:

	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	
<b>Name of Pre-IPO Investor in Xiamen Many Idea:</b>	Ningbo Qichen Huamei Equity Investment Fund Partnership (Limited Partnership)* (寧波啟辰華美股權投資基金合夥企業(有限合夥))	Huo Xiaowei (胡曉偉)	Chen Jincheng (陳金城)	Liu Mingming (劉鳴鳴)	Cai Haixu (蔡海旭)	Hainan Xunhe Investment Holdings Co., Ltd.* (海南循榭信合投資有限公司)	Hainan Wutong Xunhe Investment Holdings Co., Ltd.* (海南梧桐信合投資有限公司)	Wu Rongzhao (吳榮鵬)	Li Dong (李東)	Pingtian Guotai Jiaye Investment Management Partnership (Limited Partnership)* (平潭國泰嘉躍投資管理合夥企業(有限合夥))	Liu Yanhua (劉燕華)	Zhang Yan (張燕) <i>Note (1)</i>	Wang Wenwen (王文文) <i>Note (2)</i>	Mr. Chen ZM <i>Note (3)</i>	Shanghai Guardian Internet Financial Information Service Co., Ltd.* (上海守護者互聯網金融信息服務有限公司)	
<b>Date of agreement:</b>	26 May 2021	4 June 2021 23 July 2021	1 July 2021	25 June 2021	18 June 2021	16 July 2021	19 July 2021	22 July 2021	15 July 2021	25 June 2021	26 July 2021 6 August 2021	26 July 2021 3 August 2021 6 August 2021	21 July 2021 26 July 2021 3 August 2021 6 August 2021	26 July 2021 5 August 2021 13 August 2021	25 July 2021	15 September 2021
<b>Aggregate number of shares subscribed:</b>	1,334,671 shares in Xiamen Many Idea	1,284,976 shares in Xiamen Many Idea	460,774 shares in Xiamen Many Idea	310,136 shares in Xiamen Many Idea	119,624 shares in Xiamen Many Idea	1,019,017 shares in Xiamen Many Idea	1,016,583 shares in Xiamen Many Idea	508,800 shares in Xiamen Many Idea	339,200 shares in Xiamen Many Idea	295,069 shares in Xiamen Many Idea	248,358 shares in Xiamen Many Idea	127,857 shares in Xiamen Many Idea	137,293 shares in Xiamen Many Idea	508,800 shares in Xiamen Many Idea	1,017,600 shares in Xiamen Many Idea	
<b>Corresponding shareholding in Xiamen Many Idea:</b>	2.6232%	2.5255%	0.9056%	N/A <i>Note (5)</i>	0.2351%	2.0028%	1.9980%	1.0000%	0.6667%	0.5760%	0.4881%	0.2513%	0.2698%	1.0000%	2.0000%	
<b>Whether the Pre-IPO Investor at Xiamen Many Idea level has subsequently becomes shareholder of our Company, and if so, the shareholding as at the Latest Practicable Date (Y/N):</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	
<b>Investor at Xiamen Many Idea level has subsequently becomes shareholder of our Company, and if so, the shareholding as at the Latest Practicable Date (Y/N):</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	
<b>Valuation:</b>	RMB12,399,500	RMB16,000,000	RMB3,031,392	RMB716,414.16	RMB1,060,000	RMB12,000,000	RMB12,439,500	RMB7,500,000	RMB5,000,000	RMB5,000,000	RMB2,483,803.79	RMB1,370,808.2	RMB1,044,312.04	RMB7,500,000	RMB20,000,000	
<b>Date on which the consideration was fully settled:</b>	3 June 2021	18 January 2022	5 July 2021	28 June 2021	22 October 2021	28 September 2021	26 July 2021	4 August 2021	20 July 2021	28 June 2021	30 September 2021	30 September 2021	18 August 2021	22 December 2021	15 September 2021	

1.		2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	
	<b>Basis of consideration:</b>	As confirmed by our Directors having made reasonable enquiries on the transferees and transferees, the consideration was determined based on arm's length negotiations between parties.														
	<b>Cost per share paid by the Pre-IPO Investor:</b>	HK\$0.72	HK\$0.96	HK\$0.51	N/A <sup>Note (5)</sup>	HK\$0.68	HK\$0.91	HK\$0.94	HK\$1.14	HK\$1.14	HK\$1.32	HK\$0.77	HK\$0.83	HK\$0.59	HK\$1.14	HK\$1.52
	<b>Discount to the mid-point of the indicative Offer Price range</b> <sup>Note (4)</sup> :	66.33%	54.87%	76.15%	N/A	67.88%	57.32%	55.65%	46.57%	46.57%	38.16%	63.75%	61.14%	72.43%	46.57%	28.76%

**Use of proceeds from the Pre-IPO Investment:**  
Not applicable

**Lock-up period:** These shareholders (save for Liu Mingming) have become our Shareholders (through themselves or their respective controlled entities) as at the Latest Practicable Date. They have undertaken to each of our Company and the Sole Sponsor that none of them would dispose of their Shares held as of the Listing Date during the First Six-Month Period and the Second Six-Month Period, save for BKDR (Hong Kong) Company Limited (寶訓道德(香港)有限公司) who has undertaken to each of our Company and the Sole Sponsor that it would not dispose of its respective Shares held as of the Listing Date during the First Six-Month Period (as defined in the section headed "Underwriting" of this prospectus). For details, please refer to the section headed "Relationship with Controlling Shareholders — Non-disposal Undertakings by our Shareholders" in this prospectus.

**Strategic benefits of the Pre-IPO Investor brought to our Group:** Our Directors were of the view that our Company could benefit from the Pre-IPO Investors' commitment to our Company as their investments demonstrate their confidence in the operation of our Group and serves as an endorsement of our performance, strength and prospects. For profile and background of these Pre-IPO Investors, please refer to the paragraph headed "— Excluded Companies — 1. Xiamen Many Idea— Further information about the Pre-IPO Investors at Xiamen Many Idea Level" in this section of this prospectus.

<b>Whether the Shares held by Pre-IPO investors will be considered as part of the public float (Y/N):</b>	Y	Y	Y	N/A <sup>Note (5)</sup>	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y
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**Notes:**

- (1) Zhang Yan is one of the senior management member of our Group. For her biography, please refer to the section headed "Directors and Senior Management — Senior Management" in this prospectus.
- (2) Wang Wenwen is an employee of our Group.
- (3) Mr. Chen ZM is one of our executive Directors. For his biography, please refer to the section headed "Directors and Senior Management — Directors" in this prospectus.
- (4) The discount to the Offer Price is calculated based on the assumption that the Offer Price is HK\$2.13 per Share, being the mid-point of the stated range of the Offer Price between HK\$1.88 and HK\$2.38 per Offer Share.
- (5) Liu Mingming has subsequently disposed of his interests in Xiamen Many Idea to Wang Wenwen in August 2021.

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

### Further information about the Pre-IPO Investors at Xiamen Many Idea level

With respect to the pre-IPO investors at Xiamen Many Idea level, they can be categorised into the following groups:

- (1) Employees of our Group: Mr. Chen ZM is our executive Director, Ms. Zhang Yan is our senior management member and Ms. Wang Wenwen is employee of our Group. Please refer to the section headed “Directors and Senior Management” in this prospectus for the biographical details of Mr. Chen ZM and Ms. Zhang Yan;
- (2) Institutional investors: the institutional investors became our Shareholders. For instance, BKDR is a wholly-owned subsidiary of BKDR Investment Holding Limited (寶凱道融投資控股有限公司) which is a financial services company primarily focusing on the provision of corporate management services, investment management services, financial advisory services, and credit and guarantee services for small to medium enterprises. BKDR Investment Holding Limited (寶凱道融投資控股有限公司) is an affiliated company of Guangzhou Liby Investment Co., Ltd. (“**Liby Group**”), also being one of our customers during the Track Record Period. BKDR is confident on the future development and business prospects of our Group and decided to invest in our Group pursuant to the Pre-IPO Investment; and
- (3) Individual investors.

Following the above transfers and up to the completion of the Business Transfer, the shareholders of Xiamen Many Idea as at 1 December 2021 were as follows:

Shareholders of Xiamen Many Idea	Number of shares of Xiamen Many Idea held	Percentage (%)
1. Mr. Liu	11,067,420	21.7520
2. Xue Lining (薛李寧)	8,586,332	16.8757
3. Xiamen Dream Future	7,568,672	14.8755
4. Xiamen Chuangxiang Future	3,987,461	7.8370
5. Wang Yuming (王玉明)	2,374,755	4.6674
6. Shenzhen Venture Capital Co., Ltd.* (深圳市 創新投資集團有限公司)	2,312,727	4.5455
7. Ningbo Qichen Huamei Equity Investment Fund Partnership (Limited Partnership)* (寧波啟辰華美股權投資基金合夥企業 (有限合夥))	1,334,671	2.6232
8. Hu Xiaowei (胡曉偉)	1,284,976	2.5255
9. Xiamen Oriental Fortune II Investment Partnership (Limited Partnership)* (廈門 東方匯富貳期投資合夥企業(有限合夥))	1,039,556	2.0432



## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Shareholders of Xiamen Many Idea	Number of shares of Xiamen Many Idea held	Percentage (%)
10. Hainan Wutong Xinhe Investment Holdings Co., Ltd.* (海南梧桐信合投資控股有限公司)	1,019,017	2.0028
11. Shanghai Guardian Internet Financial Information Service Co., Ltd.* (上海守護者互聯網金融信息服務有限公司)	1,017,600	2.0000
12. Wu Rongzhao (吳榮照)	1,016,583	1.9980
13. Jiangxi Chinese Media Blue Ocean International Investment Co., Ltd.* (江西中文傳媒藍海國際投資有限公司)	860,890	1.6920
14. Suining County Shoujinban Enterprise Management Consulting Partnership (Limited Partnership)* (睢寧縣首金班企業管理諮詢合夥企業(有限合夥))	636,001	1.2500
15. BKDR Investment Holdings Co., Ltd.* (寶凱道融投資控股有限公司)	508,800	1.0000
16. Pingtan Guotai Jiase Investment Management Partnership (Limited Partnership)* (平潭國泰嘉澤投資管理合夥企業(有限合夥))	339,200	0.6667
17. Zhang Yan (張燕)	248,358	0.4881
18. Mr. Chen ZM	137,293	0.2698
19. Wang Wenwen (王文雯)	127,857	0.2513
20. Cai Haixu (蔡海旭)	119,624	0.2351
21. Other individual shareholders of Xiamen Many Idea <sup>(1)</sup>	5,292,208	10.4014
<b>Total</b>	<b>50,880,001</b>	<b>100</b>

*Note:* The remaining 22 individual shareholders of Xiamen Many Idea following the above transfers and up to the completion of the Business Transfer were Independent Third Parties each held less than 2% of interests in Xiamen Many Idea.

### *Frozen Equity Interests of Mr. Xue Lining, Shareholder of Xiamen Many Idea*

Mr. Xue Lining (薛李寧) (“**Mr. Xue**”) is one of the shareholders of Xiamen Many Idea. Mr. Liu met Mr. Xue back in 2005 when they were studying at university and Mr. Xue first invested in Xiamen Many Idea in 2015 when it was listed on the NEEQ. The directors of Xiamen Many Idea confirmed that Mr. Xue was a passive investor and was not involved in the management or operation of Xiamen Many Idea and its subsidiaries; and save for Mr. Xue’s investment in Xiamen Many Idea, Mr. Xue does not have any other relationship with Mr. Liu, Xiamen Many Idea and its directors or senior management.

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

In November 2018, after the retrieval of its shareholders list from China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司), Xiamen Many Idea became aware that approximately 16.88% the equity interest in Xiamen Many Idea (“**Mr. Xue’s Equity Interests**”) held by Mr. Xue was subject to an asset freeze by the Public Security Bureau of Xiamen City (the “**Frozen Equity Interests**”) due to an ongoing criminal investigation on Mr. Xue, who was suspected of misappropriation of bank’s funds by creating fictitious transaction information for a company (the “**Case**”). Since 19 October 2018, Mr. Xue’s Equity Interests were frozen by the Public Security Bureau of Xiamen City for a period of 2 years until 18 October 2020. Further, in October 2020, the freezing period in connection with the Frozen Equity Interests was extended until 11 October 2022. As of the Latest Practicable Date, Mr. Xue’s Equity Interests were still frozen.

Based on the list of shareholders retrieved from China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司) as of the Latest Practicable Date, the Frozen Equity Interests have not been released from such asset freeze.

As a result of the Reorganisation and following the completion of the Business Transfer, Xiamen Many Idea was excluded from our Group and Mr. Xue does not have any equity interests in our Company nor any of its subsidiaries.

Our Directors confirm that, having made all reasonable enquiries on each of Xiamen Many Idea and its then subsidiaries, their respective directors, supervisors and senior management (the “**Relevant Entities**”), the Relevant Entities are independent from Mr. Xue in all aspects and were not aware of Xiamen Many Idea and its subsidiaries, and directors, supervisors, senior management and major shareholders of Xiamen Many Idea (which included, amongst others, our Controlling Shareholders) being involved in the Case. There has not been any investigation against them in connection with the Case as at the Latest Practicable Date.

Our Directors further confirmed, and the Sole Sponsor concurred, that Mr. Xue was a passive investor and was not involved in the management or operation of Xiamen Many Idea and its subsidiaries. Save for Mr. Xue’s investment in Xiamen Many Idea, Mr. Xue does not have any other relationship with our Group, its subsidiaries and their respective directors or senior management.

Our Directors confirm that, save for being a passive investor of Xiamen Many Idea, Mr. Xue has no other past or present relationships (including business, family, trust, employment, shareholding or financing) with our Company or its subsidiaries, their shareholders, directors, or senior management, or any of their respective associates.

Our Directors confirmed, and the Sole Sponsor concurred, that there are no on-going or potential disputes between our Company and Mr. Xue on the Business Transfer during the Reorganisation.

### Other corporate actions contemplated by Xiamen Many Idea

Since the establishment of Xiamen Many Idea in 2012, a series of corporate actions have been contemplated by us. Set out below is a summary of those corporate actions covering the background, rationale and reasons of those corporate actions:

#### (1) Previous Attempt for A-Share Listing between 2018 and 2020

In light of our proposed listing plan as set forth above, Xiamen Many Idea entered into a pre-listing tutoring engagement agreement with Changjiang Financing Services Co., Limited (長江證券承銷保薦有限公司) (the “**A-Share Listing Sponsor**”) for the A-Share listing plan (“**A-Share Listing Plan**”) in 2018.

Xiamen Many Idea then filed a formal listing application to the CSRC on 19 June 2019 and, pursuant to the relevant requirements of the Pilot Scheme for Registration System for Reform of ChiNext (創業板改革並試點註冊制的相關規定) to The Shenzhen Stock Exchange on 20 June 2020 (“**A-Share Listing Application 2020**”). According to the Review Results, Xiamen Many Idea’s A-Share Listing Plan has passed the review of the ChiNext Committee in September 2020. According to the relevant application procedure for listing on ChiNext, The Shenzhen Stock Exchange would submit the relevant materials of Xiamen Many Idea to the CSRC for registration.

In December 2020, having considered the significant decline in net profit of Xiamen Many Idea primarily as a result of the COVID-19 pandemic which led to uncertainty in the time required for completing the A-share listing and in the light of Notice of the Supervisory Committee of CSRC on the Adjustment of Certain Clauses in the Issuance Review Business Q&A (中國證券監督管理委員會關於發行審核業務問答部分條款調整事項的通知) (2020)<sup>1</sup>, on 27 December 2020, a notice of cessation on A-Share listing application was submitted by Xiamen Many Idea and the A-Share Listing Sponsor to The Shenzhen Stock Exchange. At the time of the notice was submitted, the CSRC was in the process of reviewing the application for the A-Share listing and there was no concrete timetable for listing. On 11 January 2021, Xiamen Many Idea received a notice of cessation on the A-share listing application (the “**Notice of Cessation**”) from the CSRC. Our Directors confirm that there were no other matters as set out in the Notice of Cessation which should be brought to the attention of the regulators of the Global Offering.

Our Directors confirm that there are no other matters relating to the A-Share Listing Plan which would require to be brought to the attention of the regulators and the investors of the Global Offering. Our Company also confirms that it has no intention to resume the A-Share Listing Plan.

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<sup>1</sup> *The requirements set out, amongst others, if the operating performance of an applicant, which has passed the review by the CSRC, has decreased by more than 50% compared with the same period of the previous year, or expected that the financial performance would fall by more than 50% in the next reporting period, the listing approval will not be granted for the time being by the CSRC. After the application’s performance has recovered and stabilised, the listing matters will resume to be processed or arranged to be re-submitted to the review committee of the CSRC.*

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Our Directors confirmed, and the Sole Sponsor concurred, that there are no other matters that should be brought to the Hong Kong Stock Exchange's attention regarding the Company's listing application on withdrawal for A-Share Listing.

As advised by the PRC Legal Advisers, the withdrawal of the A-Share Listing Application 2020 procedures was duly completed, and the necessary supporting documents have been obtained.

### (2) Proposed Acquisition of 83.12% of Interests of Xiamen Many Idea ("Jinzhou Jixiang Proposed Acquisition") by Jinzhou Jixiang Molybdenum Co., Ltd. 錦州吉翔鋇業股份有限公司 ("Jinzhou Jixiang") in March 2021

In February 2021, after the CSRC published the Notice of Cessation, Mr. Liu was approached by Jinzhou Jixiang, a company whose shares are listed on The Shanghai Stock Exchange (stock code: 603399.SH) for a possible acquisition of Xiamen Many Idea. Jinzhou Jixiang, having one of its principal businesses being film and television business, saw the possible synergy with Xiamen Many Idea's content marketing business and began negotiation with Mr. Liu for possible merger and acquisition and intended to, through the Jinzhou Jixiang Proposed Acquisition, adjusted its business direction by complementing the highly competitive molybdenum product business and weakened film and television business with the integrated content marketing business then operated by Xiamen Many Idea, so as to improve the profitability of Jinzhou Jixiang.

Subsequently, Jinzhou Jixiang and Mr. Liu (for himself and on behalf of other shareholders of Xiamen Many Idea) at the time (save for Mr. Xue Lining) (collectively, the "Vendors") commenced negotiating the terms of the acquisition. In March 2021, Jinzhou Jixiang entered into framework agreement (the "Framework Agreement") with the Vendors and Xiamen Many Idea, pursuant to which Jinzhou Jixiang proposed to acquire Vendor's 83.12% interests in Xiamen Many Idea, at a consideration with reference to the preliminary valuation being estimated in the amount ranging from RMB800 million (without taking into consideration the guaranteed profit of Xiamen Many Idea by the Vendors other than shares controlled and held by Mr. Liu) to RMB1,000 million (taking into consideration the guaranteed profit of Xiamen Many Idea by Mr. Liu for 2021 to 2023 in the amount of RMB60 million, RMB90 million and RMB110 million respectively (the "Preliminary Valuation"). As stipulated under the Framework Agreement, the Preliminary Valuation was indicative in nature and subject to further adjustment with reference to the final valuation report to be prepared by an independent valuer and the final consideration shall be reflected in the sales and purchase agreement to be signed at a later stage. It was also intended that 70% of the consideration to be settled by way of consideration shares and the remaining 30% by way of cash.

#### *Reason for Termination*

As the Preliminary Valuation was subject to finalisation, Jinzhou Jixiang carried out negotiation on the expected valuation with the Vendors between March and April 2021, but parties could not reach consensus on the key terms of the transaction, in particular, on the portion of consideration to be settled in cash or by way of consideration shares.

Further, in the course of negotiation with Jinzhou Jixiang, Mr. Liu also looked into other options for making Xiamen Many Idea to successfully “go public”. For the reasons set forth below, Mr. Liu decided to explore the possibility of the proposed HK Listing. Mr. Liu then decided to carry out the plan for the HK Listing and the negotiation in relation to the Jinzhou Jixiang Proposed Acquisition was terminated in April 2021. In mid-May 2021, Xiamen Many Idea notified the Vendors in relation to the termination of the Jinzhou Jixiang Proposed Acquisition. As advised by the PRC Legal Advisers, pursuant to the terms of the Framework Agreement, the Framework Agreement shall take effect upon the fulfilment of the following conditions: (i) the approval by the board of directors and shareholders’ meeting of Jinzhou Jixiang; and (ii) the approval by the CSRC. As the above conditions have not been fulfilled and will not be fulfilled, the Framework Agreement did not take effect and will not take effect. Based on the above, our Directors confirmed that our Company has no ongoing or potential liabilities associated with the termination of the Framework Agreement.

Our Directors confirm that there are no other matters relating to the Jinzhou Jixiang Proposed Acquisition which require to be brought to the attention of the regulators and the investors of the Global Offering.

Our Directors confirmed, and the Sole Sponsor concurred, that there are no other matters that should be brought to the Hong Kong Stock Exchange’s attention regarding the termination of the Jinzhou Jixiang Proposed Acquisition.

### **2. Beijing Many Idea**

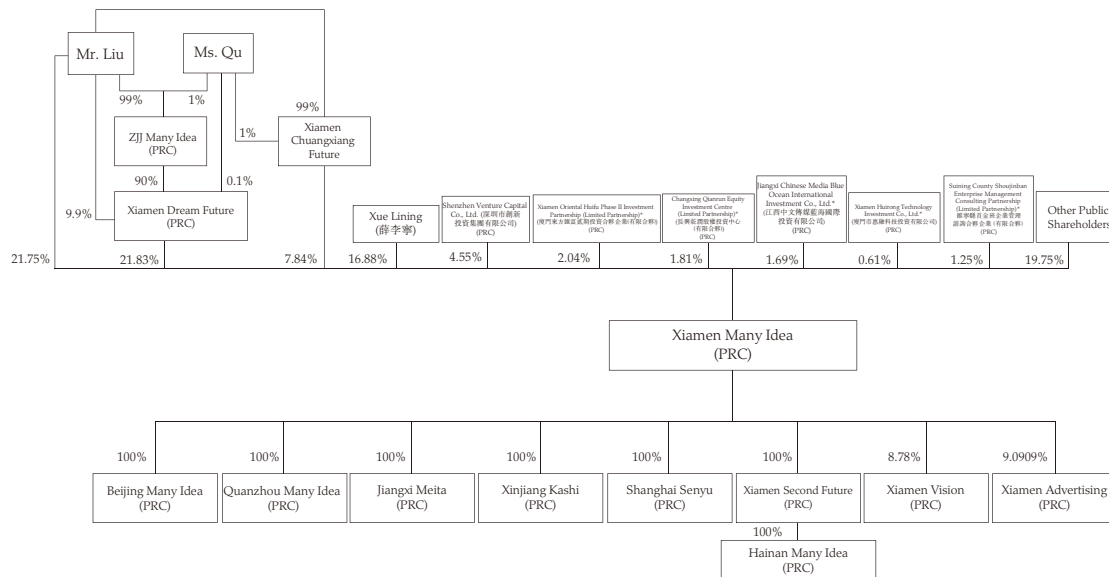
Beijing Many Idea was established in the PRC on 26 October 2017. Since its establishment, the registered capital of Beijing Many Idea was RMB5 million and was wholly owned by Xiamen Many Idea.

As a result of the Business Transfer, each of Xiamen Many Idea and Beijing Many Idea became an excluded company of our Group. Xiamen Many Idea and Beijing Many Idea transferred their entire business operations in relation to integrated marketing solutions services to Xiamen Instant Interactive on 1 December 2021.

# HISTORY, REORGANISATION AND CORPORATE STRUCTURE

## REORGANISATION

The shareholding and group structure of our Group after the delisting from the NEEQ and prior to the commencement of our Reorganisation in May 2021 is as follows:



### Reorganisation for the HK Listing

In preparation of the HK Listing, our Group underwent the Reorganisation. In particular, two key steps were involved:

- Shareholding restructuring of Xiamen Many Idea — Transfer of shares of Xiamen Many Idea from May 2021 to November 2021 (the “2021 Shareholding Restructuring”)*

There were 32 completed transactions involving the transfer of an aggregate of 8,728,973 shares of Xiamen Many Idea to new purchasers or the then equity holders of Xiamen Many Idea from May 2021 to November 2021. Such transfers were intended for, amongst others, providing an avenue for those then shareholders who did not wish to participate in the HK Listing an exit. These share transfers did not involve any new issue of shares by Xiamen Many Idea, and Xiamen Many Idea did not receive any amount of consideration from these share transfers.

- Business Transfer in December 2021*

Prior to the Reorganisation, Xiamen Many Idea was our holding company carrying out part of our business and Beijing Many Idea was one of its operating subsidiaries. Each of Xiamen Many Idea and Beijing Many Idea has held ICP licence and Radio and TV Programme Production and Operation Licence (廣播電視節目製作經營許可證), respectively, since 2019 for its plan for development of the internet content provider and TV programme production business (the “**Restricted Business**”).



## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Our Directors confirmed that our Group's online marketing business is part of our integrated marketing solution services which does not involve providing users with online data processing and transaction processing business or information service business under the Classification Catalogue of Telecommunication Services (2015 Edition) (the "**Catalogue**") through public communication networks or the internet, or carrying out any other type of value-added telecommunications business under the Catalogue, or providing services such as providing information or making web pages to internet users for a fee through the internet. As such, the businesses of our Group do not fall under the value-added telecommunication business. Further, our Directors are of the view that, the Content Engine is based on SaaS technology and it is a SaaS software system in nature, and it will provide user management SaaS services to our customers. Such businesses with the prescribed functions do not involve provision of any type of value-added telecommunications services under the Catalogue. Pursuant to the interview conducted by the PRC Legal Advisers on 3 December 2021 with Xiamen City Communications Administration (廈門市通信管理局), which, as advised by the PRC Legal Advisers, is the competent authority as to the supervision of value-added telecommunication business in Xiamen City, in view that our online marketing business and SaaS interactive marketing services provided by the Content Engine do not involve the provision of any type of value-added telecommunications services, hence the business of our Group does not fall under the Catalogue and therefore our Group does not require ICP licence to render our services to customers. As further advised by the PRC Legal Advisers, in view that our Group's production of short videos has been outsourced to third party producers and our Group does not expect to produce short videos itself in the future, there is no necessity for our Group to obtain the Radio and TV Programme Production and Operation Licence for our Company's current business (including its existing SaaS products) and future business development plans as disclosed in this prospectus (including the proposed development of SaaS products). Having considered the fact that our current and future business does not require these licences, as part of the Reorganisation, on 30 November 2021, Xiamen Many Idea and Beijing Many Idea as transferors and Xiamen Instant Interactive as transferee entered into the Business Transfer Agreement, pursuant to which Xiamen Many Idea and Beijing Many Idea agreed to sell and Xiamen Instant Interactive agreed to purchase the rights, debts, obligations, assets and liabilities attached to the integrated marketing service business (including content marketing, SaaS interactive marketing, digital marketing, public relations event planning and media advertising) carried on by Xiamen Many Idea and Beijing Many Idea (the "**Then Existing Business**") for a consideration of RMB370 million. Pursuant to the Business Transfer Agreement, 45% of the consideration of the Business Transfer should be settled within 10 business days of the completion of the Business Transfer, and the remaining 55% of the consideration of the Business Transfer should be settled prior to the lodging of our Company's listing application to the Hong Kong Stock Exchange.

Such consideration was based on the valuation report prepared by Graval Consulting Limited, an independent valuer, regarding the Then Existing Business as at 30 November 2021. Completion of Business Transfer took place on 1 December 2021. The consideration has been fully settled on 30 January 2022.

To facilitate such Business Transfer, Xiamen Many Idea and Beijing Many Idea had transferred all of its employees and contracts to our Group as at 30 November 2021, pursuant to the Business Transfer Agreement.



## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Upon completion of the Business Transfer, the equity interests of other than wholly-owned subsidiaries of Xiamen Many Idea (save for Beijing Many Idea) were also subsequently transferred to our Group.

Our Directors are of the view that the Business Transfer was in the interests of the Shareholders and our Company as a whole. The Business Transfer would not cause significant impact to our Group as, except for those non-transferable items (such as investment in Xiamen Vision and Xiamen Advertising which were amounted for as fair value through OCI, income tax payables and borrowings) disclosed under “Appendix I — Note 40. Deemed distributions of assets to and assumptions of liabilities by controlling shareholders” in this prospectus, all of the assets and liabilities of Xiamen Many Idea and Beijing Many Idea including their respective customers, contracts on hand, staff, and intellectual properties, etc. have been transferred to our Group through Business Transfer. The financial performance of our Company would not be affected by the Business Transfer as the whole business were conducted by our Group before and after the Business Transfer and the Historical Financial Information that was reported under the Accountants’ Report has been prepared on a combined basis by applying the principles of merger method of accounting including the financial performance of Xiamen Many Idea and Beijing Many Idea since the commencement of the Track Record Period (i.e. 1 January 2019).

The PRC Legal Advisers confirmed that all necessary corporate authorisation for the execution, delivery and implementation of the Business Transfer Agreement have been duly obtained, including the convening of the board meeting(s) and shareholders’ meeting(s), and the execution, delivery and implementation of the Business Transfer Agreement do not violate any applicable laws of the PRC and the articles of association of Xiamen Many Idea. The Business Transfer Agreement is legal, valid and enforceable. As advised by the PRC Legal Advisers, the likelihood that a lawsuit will be filed to challenge the legality of the Business Transfer and be supported by the people’s court of the PRC is remote.

Detailed steps of the Reorganisation are set out below:

### **1. Incorporation of Xiamen Instant Interactive**

Xiamen Instant Interactive was established in the PRC on 11 May 2021. As at the date of its establishment, the registered capital of Xiamen Instant Interactive was RMB100,000 and was held as to 90% by Mr. Liu and 10% by Ms. Qu. On 7 June 2021, the registered capital of Xiamen Instant Interactive increased from RMB100,000 to RMB1 million with 90% contributed by Mr. Liu and 10% contributed by Ms. Qu.

On 28 September 2021, Mr. Liu and Ms. Qu entered into equity transfer agreements with shareholders who would become our Shareholders (through their respective controlled entities) following the Reorganisation to transfer certain of their respective interests in Xiamen Instant Interactive at a nominal consideration of RMB1 for each transfer. After these transfers, Xiamen Instant Interactive was owned as to 47.0139% by Mr. Liu, 5.9574% by Ms. Qu and 47.0287% by the remaining shareholders of Xiamen Instant Interactive, respectively.

**2. Incorporation of our Company**

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on 10 June 2021. At the time of its incorporation, the initial authorised share capital of our Company was HK\$390,000 divided into 3,900,000,000 Shares of HK\$0.0001 each. On the date of its incorporation, 1 Share was allotted, issued to, and fully paid by the initial subscriber, who then on the same day transferred that 1 Share to Many Idea Liujianhui which was wholly owned by Mr. Liu.

**3. Incorporation of Many Idea BVI**

Many Idea BVI was incorporated as an investment holding company in the BVI with limited liability on 9 July 2021. The number of authorised shares of Many Idea BVI is 50,000 shares of US\$1 each. On 9 July 2021, 1 share in Many Idea BVI was allotted, issued to, and fully paid by our Company. As a result, Many Idea BVI became a direct wholly owned subsidiary of our Company.

**4. Incorporation of Many Idea HK**

Many Idea HK is an investment holding company which was incorporated in Hong Kong on 26 July 2021. On the date of its incorporation, one share in Many Idea HK was allotted, issued to, and fully paid by Many Idea BVI at a total subscription price of HK\$1. As a result, Many Idea HK became wholly owned by Many Idea BVI.

**5. Conversion of Xiamen Instant Interactive into a Foreign-Invested Enterprise**

On 18 November 2021, Mr. Liu entered into an equity transfer agreement with Yuan Yin (苑茵) (an independent third party) pursuant to which Mr. Liu transferred 2.6412% of interests of Xiamen Instant Interactive to Yuan Yin (苑茵) at the consideration of RMB26,412, which was based on the amount of paid-up registered capital of Xiamen Instant Interactive of RMB1 million and such 2.6412% interests. After such transfer, Xiamen Instant Interactive was owned as to 44.3727% by Mr. Liu, 5.9574% by Ms. Qu, 2.6412% by Yuan Yin (苑茵) and 47.0287% by the remaining shareholders of Xiamen Instant Interactive, respectively. Following the transfer, Xiamen Instant Interactive became a foreign-invested enterprise.

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

The following table set forth the shareholding of Xiamen Instant Interactive following the above transfer and as at 22 November 2021:

Shareholder	Registered capital (RMB'0,000)	Percentage (%)
1. Mr. Liu	47.9384	47.9384
2. Ms. Qu	5.9574	5.9574
3. Mr. Chen SC	3.3015	3.3015
4. Ms. Huang	3.3015	3.3015
5. Yuan Yin (苑茵)	2.6412	2.6412
6. Zhang Yan (張燕)	0.7756	0.7756
7. Mr. Chen ZM	0.4287	0.4287
8. Wang Wenwen (王文雯)	0.3993	0.3993
9. Other individual shareholders of Xiamen Instant Interactive <sup>(1)</sup>	35.2564	35.2564
<b>Total</b>	<b>100</b>	<b>100</b>

*Notes:*

1. The remaining 25 individual shareholders of Xiamen Instant Interactive following the above transfers were Independent Third Parties each held less than 5% of interests in Xiamen Instant Interactive.
2. Each of Mr. Liu, Ms. Qu, Mr. Chen SC, Ms. Huang, Zhang Yan, Mr. Chen ZM and Wang Wenwen is a Director of our Company/an employee of our Group.

### 6. Establishment of WFOE

WFOE is a wholly foreign owned enterprise established by Many Idea HK in the PRC on 26 November 2021. As at the date of its establishment, the registered capital of WFOE was RMB1 million. WFOE has been wholly owned by Many Idea HK since its establishment.

### 7. Establishment of Beijing Many Idea Cloud

Beijing Many Idea Cloud is a wholly owned subsidiary established by Xiamen Instant Interactive in the PRC with registered capital of RMB990,000 on 24 November 2021.

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

### 8. Further allotment of Shares

On 16 November 2021, our Company allotted and issued a total of 42,293,668 Shares to the following shareholders with a view to reflecting the shareholding of Xiamen Many Idea with shareholders who were willing to participate in the Reorganisation for the purpose of the HK Listing, credited as fully paid. Subsequent to the allotment, our Company's shareholders comprised the following:

Shareholder of our Company	Number of issued Shares held	Percentage (%)
1. Many Idea Liujianhui	15,054,881	35.5961
2. Xiamen Dream Future	8,834,380	20.8882
3. Many Idea Wang Yu Ming Limited <sup>(1)</sup>	2,374,755	5.6149
4. Many Idea Qushuo	1,907,909	4.5111
5. Ningbo Qichen Huamei Equity Investment Fund Partnership (Limited Partnership)* (寧波啟辰華美股權投資基金合夥企業 (有限合夥)) <sup>(2)</sup>	1,334,671	3.1557
6. Many Idea Hu Xiaowei Limited <sup>(3)</sup>	1,284,976	3.0382
7. Wanhui International Holding Company Limited (萬暉國際控股有限公司) <sup>(4)</sup>	1,039,556	2.4579
8. Hainan Wutong Xinhe Investment Holdings Co., Ltd.* (海南梧桐信合投資控股 有限公司) <sup>(5)</sup>	1,019,017	2.4094
9. Shelter Rock Holding Company Limited (守護者控股有限公司) <sup>(6)</sup>	1,017,600	2.4060
10. Many Idea Wu Rongzhao Limited <sup>(7)</sup>	1,016,583	2.4036
11. BKDR (Hong Kong) Company Limited (寶凱道融(香港)有限公司) <sup>(8)</sup>	508,800	1.2030
12. Pingtan Guotai Jiase Investment Management Partnership (Limited Partnership)* (平潭國泰嘉澤投資管理合夥企 業(有限合夥)) <sup>(9)</sup>	339,200	0.8020
13. Many Idea ZhangYan Limited <sup>(10)</sup>	248,358	0.5872
14. Many Idea ChenZeming Limited <sup>(11)</sup>	137,293	0.3246
15. Many Idea WangWenwen Limited <sup>(12)</sup>	127,857	0.3023
16. Many Idea CaiHaixu Limited <sup>(13)</sup>	119,624	0.2828
17. Other individual shareholders of our Company <sup>(14)</sup>	5,928,209	14.0168
<b>Total</b>	<b>42,293,669</b>	<b>100</b>

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

### Notes:

1. As at the Latest Practicable Date, Many Idea Wang Yu Ming Limited, a BVI company, was wholly owned by Wang Yuming (王玉明), an Independent Third Party.
2. As at the Latest Practicable Date, Ningbo Qichen Huamei Equity Investment Fund Partnership (Limited Partnership)\* (寧波啟辰華美股權投資基金合夥企業(有限合夥)), a PRC limited partnership, was owned as to 59.9976% by Zhuhai Buer Investment Partnership (Limited Partnership)\* (珠海不二投資合夥企業(有限合夥)), 39.9984% by Shandong Chenming Paper Group Co., Ltd.\* (山東晨鳴紙業集團股份有限公司) and 0.004% by Zhuhai Qichenxing Investment Consulting Enterprise (General Partnership)\* (珠海啟辰星投資諮詢企業(普通合夥)). Zhuhai Buer Investment Partnership (Limited Partnership)\* (珠海不二投資合夥企業(有限合夥)) was owned as to 53.125% by Sun Yong (孫勇) and 46.875% by Zhou Wenting (周文婷), each an Independent Third Party.
3. As at the Latest Practicable Date, Many Idea Hu Xiaowei Limited, a BVI company, was wholly owned by Hu Xiaowei (胡曉偉), an Independent Third Party.
4. As at the Latest Practicable Date, Wanhui International Holding Company Limited (萬暉國際控股有限公司), a BVI company, was owned as to 90% by Lyu Ronghui (呂榮暉) and 10% by Lyu Yali (呂雅莉), each an Independent Third Party.
5. As at the Latest Practicable Date, Hainan Wutong Xinhé Investment Holdings Co., Ltd.\* (海南梧桐信合投資控股有限公司), a PRC company, was wholly owned by Juanshi Capital Investment Holdings Co., Ltd.\* (卷石資本投資控股有限公司), which was owned as to 98% by Zhao Mengdi (趙夢笛) and 2% by Zhang Yongkang (張永康), each an Independent Third Party.
6. As at the Latest Practicable Date, Shelter Rock Holding Company Limited (守護者控股有限公司), a company incorporated in Hong Kong, was wholly owned by Toprich Asia Pacific Limited (創富亞太有限公司), a BVI company which was wholly owned by Mr. Zhao Yiping (趙一平), an Independent Third Party.
7. As at the Latest Practicable Date, Many Idea Wu Rongzhao Limited, a BVI company, was wholly owned by Wu Rongzhao (吳榮照), who is the ultimate beneficial owner of Fujian Hongxing Erke. For details, please refer to the section headed “Business — Overlapping Major Customers and Suppliers” of this prospectus.
8. BKDR (Hong Kong) Company Limited (寶凱道融(香港)有限公司), a Hong Kong company, was wholly owned by BKDR Investment Holdings Co., Ltd.\* (寶凱道融投資控股有限公司), which was wholly owned by Tibet Kaida Investment Co., Ltd.\* (西藏凱達投資有限公司). Tibet Kaida Investment Co., Ltd.\* (西藏凱達投資有限公司) was owned as to 65% by Chen Kaixuan (陳凱旋) and 35% by Chen Kaichen (陳凱臣), each an Independent Third Party.
9. As at the Latest Practicable Date, Pingtan Guotai Jiaye Investment Management Partnership (Limited Partnership)\* (平潭國泰嘉澤投資管理合夥企業(有限合夥)), a PRC limited partnership, was owned as to 99.9697% by Zhao Jingming (趙靜明), an Independent Third Party, and 0.0303% by Beijing Guotai Venture Capital Management Co., Ltd.\* (北京國泰創業投資基金管理有限公司). For further details of Zhao Jingming, please refer to the paragraph headed “— Reorganisation — Pre-IPO Investments at Company Level” in this section of this prospectus.
10. As at the Latest Practicable Date, Many Idea ZhangYan Limited, a BVI company, was wholly owned by Zhang Yan (張燕), a senior management member of our Group.
11. As at the Latest Practicable Date, Many Idea ChenZeming Limited, a BVI company, was wholly owned by Mr. Chen ZM, our executive Director.
12. As at the Latest Practicable Date, Many Idea WangWenwen Limited, a BVI company, was wholly owned by Wang Wenwen (王文雯), an employee of our Group.
13. As at the Latest Practicable Date, Many Idea CaiHaixu Limited, a BVI company, was wholly owned by Cai Haixu (蔡海旭), who is also our Pre-IPO Investor. For further information, please refer to the paragraph headed “— Reorganisation — Pre-IPO Investments at Company Level” in this section of this prospectus.
14. The ultimate beneficial owners of the remaining 23 individual shareholders of our Company following the above allotment of Shares were Independent Third Parties each held less than 2% of interests in our Company.

### 9. Acquisition of Xiamen Instant Interactive by WFOE and Many Idea HK

On 26 November 2021, the respective shareholders of Xiamen Instant Interactive (save for Yuan Yin (苑茵)) entered into equity transfer agreements with WFOE, pursuant to which the respective shareholders transferred their respective equity interests in Xiamen Instant Interactive (equivalent to 97.3588% of the equity interests of Xiamen Instant Interactive in aggregate) to WFOE at a nominal consideration of RMB1.

Further, on 29 November 2021, Yuan Yin (苑茵) entered into an equity transfer agreement with Many Idea HK, pursuant to which Yuan Yin (苑茵) transferred her entire equity interests in Xiamen Instant Interactive to Many Idea HK at the consideration of RMB26,412, equivalent to the paid up registered capital contributed by Yuan Yin (苑茵). After such transfer, Xiamen Instant Interactive was held as to 97.3588% by WFOE and 2.6412% by Many Idea HK.

### 10. Execution of the Business Transfer Agreement and Transfer of Equity Interests of Other Subsidiaries

On 30 November 2021, Xiamen Many Idea and Beijing Many Idea as transferors and Xiamen Instant Interactive as transferee entered into the Business Transfer Agreement, pursuant to which Xiamen Many Idea and Beijing Many Idea agreed to sell and Xiamen Instant Interactive agreed to purchase the rights, debts, obligations, assets and liabilities attached to the integrated marketing service business (including content marketing, SaaS interactive marketing, digital marketing, public relations event planning and media advertising) carried on by Xiamen Many Idea and Beijing Many Idea (the “**Then Existing Business**”) for a consideration of RMB370 million. Such consideration was based on valuation of the Then Existing Business (representing the entire equity interests in Xiamen Many Idea and its subsidiaries (including Beijing Many Idea), excluding non-transferrable items, using discounted cash flow method under the income approach) as at 30 November 2021 which was conducted by Graval Consulting Limited, an independent valuer. Completion of such business transfer took place on 1 December 2021. The consideration was fully settled on 30 January 2022. To facilitate such business transfer pursuant to the Business Transfer Agreement, Xiamen Many Idea and Beijing Many Idea had transferred all of its employees and contracts to our Group.

Upon completion of the Business Transfer, the entire equity interests of each of Xiamen Second Future, Quanzhou Many Idea, Jiangxi Meita, Xinjiang Kashi and Shanghai Senyu were transferred to Xiamen Instant Interactive. After these transfers, each of Xiamen Second Future, Quanzhou Many Idea, Jiangxi Meita, Xinjiang Kashi and Shanghai Senyu became a wholly-owned subsidiary of Xiamen Instant Interactive.

As a result of the Business Transfer, Xiamen Many Idea and Beijing Many Idea were no longer part of our Group.

### 11. Increase of registered capital of Beijing Many Idea Cloud

For the purpose of the Reorganisation, Mr. Liu subscribed for 1% of the registered capital of Beijing Many Idea Cloud by paying up approximately RMB150 million to Beijing Many Idea Cloud in December 2021.

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

On 1 December 2021, the registered capital of Beijing Many Idea Cloud increased from RMB990,000 to RMB1 million with 99% contributed by Xiamen Instant Interactive and 1% contributed by Mr. Liu. The amount of increase in the registered capital, being RMB10,000 had been fully paid.

### 12. Subsequent share transfers of Shares at Shareholder's level

The following set forth the further transfers at the level of the shareholders of the Company below:

Date of Agreement	Transferor	Transferee	No of Shares	Consideration	Basis of consideration	Date of Settlement
1. 10 December 2021	Many Idea Liujianhui	Ultra Joy Holdings Limited (超欣控股有限公司)	422,937	RMB7,200,000	For details, please refer to the paragraph headed “— Reorganisation — Pre-IPO Investments at Company Level” in this section of this prospectus.	31 December 2021
2. 15 December 2021	Many Idea Liujianhui	Huirong Gold Control Limited	1,141,929	RMB19,440,000		7 January 2022
3. 20 December 2021	Many Idea Liujianhui	Yuan Yin (苑茵)	845,873	RMB14,400,000		21 January 2022
4. 30 December 2021	Many Idea Liujianhui	Evergreen Tree Holding Limited (常青樹控股有限公司)	925,091	RMB21,873,000		21 January 2022
5. 31 December 2021	Many Idea Liujianhui	Many Idea ChenShancheng Limited	1,057,341	RMB18,000,000		23 January 2022
6. 31 December 2021	Many Idea Liujianhui	Many Idea HuangTingting Limited	1,057,341	RMB18,000,000		23 January 2022
7. 1 January 2022	Many Idea Liujianhui	Many Idea CaiHaixu Limited	481,420	RMB8,193,600		20 January 2022
8. 7 January 2022	Many Idea Qushuo	Many Idea Zheng Lianfa Limited	528,671	RMB12,500,000		19 January 2022
9. 11 January 2022	Many Idea Qushuo	Luo Jia Holdings Limited	422,937	RMB10,000,000		21 January 2022
10. 12 January 2022	Many Idea Qushuo	Qiu Xiaozhen (邱曉真)	422,937	RMB10,000,000		25 January 2022
11. 20 January 2022	Many Idea Qushuo	Many Idea Lin Hai Limited	422,937	RMB10,000,000		25 January 2022
<b>Total</b>			<b>7,729,414</b>	<b>RMB149,606,600</b>		

Further, on 20 January 2022, Many Idea Zhao Bochao Limited entered into equity transfer agreements with Mingkun Holdings Ltd and Many Idea Zhang Wei Limited, pursuant to which Many Idea Zhao Bochao Limited transferred 8,861 Shares and 4,431 Shares to Mingkun Holdings Ltd and Many Idea Zhang Wei Limited which are Independent Third Parties, respectively at nominal consideration of HK\$1 each.



# HISTORY, REORGANISATION AND CORPORATE STRUCTURE

## Pre-IPO Investments at Company Level

The above transfers are regarded as pre-IPO Investments. Set out below are certain details of such pre-IPO investments:

	A	B	C	D	E	F	G	H	I	J	K
Name of Pre-IPO Investor in our Company	Many Idea ChenShancheng Limited	Many Idea HuangTingting Limited	Many Idea CaiHaixu Limited	Ultra Joy Holdings Limited	Luo Jia Holdings Limited	Many Idea Zheng Lianfa Limited	Evergreen Tree Holding Limited	Huorong Gold Control Limited	Many Idea Lin Hai Limited	Qiu Xiaozhen (邱曉真)	Yuan Yin (苑蓓)
Date of agreement:	31 December 2021	31 December 2021	1 January 2022	10 December 2021	11 January 2022	7 January 2022	30 December 2021	15 December 2021	20 January 2022	12 January 2022	20 December 2021
Number of shares subscribed:	1,057,341 Shares in our Company	1,057,341 Shares in our Company	481,420 Shares in our Company	422,937 Shares in our Company	422,937 Shares in our Company	528,671 Shares in our Company	925,091 Shares in our Company	1,141,929 Shares in our Company	422,937 Shares in our Company	422,937 Shares in our Company	845,873 Shares in our Company
Shareholding of our Company (as at the Latest Practicable Date):	2.3625%	2.3625%	1.3429%	0.9450%	0.9450%	1.1812%	2.0670%	2.3515%	0.9450%	0.9450%	1.8900%
Shareholding in our Company following completion of the Capitalisation Issue and the Global Offering (assuming that the Pre-HKIPO Loans are not converted into Shares and the Over-allocation Option and the options which may be granted under the Share Option Scheme are not exercised at all):	1.8900%	1.8900%	1.0744%	0.7560%	0.7560%	0.9450%	1.6536%	2.0412%	0.7560%	0.7560%	1.5120%
Shareholding in our Company following completion of the Capitalisation Issue and the Global Offering (assuming that the Pre-HKIPO Loans were converted into Shares and the Over-allocation Option and the options which may be granted under the Share Option Scheme are not exercised at all):	1.8385%	1.8385%	1.0451%	0.7354%	0.7354%	0.9193%	1.6086%	2.2191% (comprising 1.9856% of interests and additional interests through conversion of Shares pursuant to Pre-HKIPO Loan)	0.7354%	0.7354%	1.4708%
Valuation:	RMB720 million	RMB720 million	RMB720 million	RMB720 million	RMB1,000 million	RMB1,000 million	RMB1,000 million	RMB720 million	RMB1,000 million	RMB1,000 million	RMB720 million
Basis of consideration:	The consideration was determined based on arm's length negotiation between the parties after taking into account the timing of the investments and the status of our business and operating entities at the time when such consideration was agreed upon.										
Consideration paid:	RMB18,000,000	RMB18,000,000	RMB8,193,600	RMB7,200,000	RMB10,000,000	RMB12,500,000	RMB21,873,000	RMB19,440,000	RMB10,000,000	RMB10,000,000	RMB14,400,000
Date on which the Pre-IPO Investment was fully settled:	23 January 2022	23 January 2022	20 January 2022	31 December 2021	21 January 2022	19 January 2022	21 January 2022	7 January 2022	25 January 2022	25 January 2022	21 January 2022
Cost per share paid by the Pre-IPO Investor:	HK\$1.31	HK\$1.31	HK\$1.31	HK\$1.31	HK\$1.83	HK\$1.83	HK\$1.83	HK\$1.31	HK\$1.83	HK\$1.83	HK\$1.31
Discount to the Offer Price	38.30%	38.30%	38.31%	38.30%	14.30%	14.30%	14.30%	38.30%	14.30%	14.30%	38.30%

A      B      C      D      E      F      G      H      I      J      K

**Use of proceeds from the Pre-IPO Investment Lock-up period**

N/A, to the best knowledge of our Directors having made reasonable enquiries, the proceeds received by Mr. Liu through Many Idea Liujianhui was used to settle part of the consideration for Business Transfer. These Pre-IPO Investors and their respective ultimate beneficial owners have undertaken to each of our Company and the Sole Sponsor that none of them would dispose of their Shares held as of the Listing Date during the First Six-Month Period and the Second Six-Month Period (as defined in the section headed "Underwriting" of this prospectus). For details, please refer to the section headed "Relationship with Controlling Shareholders — Non-disposal Undertakings by our Shareholders" in this prospectus.

**Strategic benefits of the Pre-IPO Investor brought to our Group**

Our Directors were of the view that our Company could benefit from the Pre-IPO Investors' commitment to our Company as their investment demonstrates their confidence in the operation of our Group and serves as an endorsement of our performance, strength and prospects. For profile and background of these Pre-IPO Investors, please refer to the paragraph headed "— Reorganisation — Further information about the Pre-IPO Investors at Company Level" in this section of this prospectus.

**Whether the Shares held by Pre-IPO investors will be considered as part of the public float (Y/N):**

N<sup>Note (2)</sup>      Y      Y      Y      Y      Y      Y      Y      Y      Y      Y

**Notes:**

- (1) The discount to the Offer Price is calculated based on the assumption that the Offer Price is HK\$2.13 per Share, being the mid-point of the stated range of the Offer Price of between HK\$1.88 and HK\$2.38 per Offer Share.
- (2) Many Idea ChenShancheng Limited was wholly owned by Mr. Chen SC, one of our executive Directors. For his biography, please refer to section headed "Directors and Senior Management — Directors" in this prospectus.
- (3) Many Idea HuangTingting Limited was wholly owned by Ms. Huang, one of our executive Directors. For her biography, please refer to section headed "Directors and Senior Management — Directors" in this prospectus.
- (4) The valuation of RMB720 million was agreed upon based on the respective preliminary agreements entered into between each of the Pre-IPO Investor and Many Idea Liujianhui in late July 2021.

### Further information about the Pre-IPO Investors at Company level

#### A. *Information of Many Idea ChenShancheng Limited*

Many Idea ChenShancheng Limited is a BVI investment holding company wholly owned by Mr. Chen SC. Mr. Chen SC is one of our executive Directors. For his biography, please refer to the section headed “Directors and Senior Management — Directors — Executive Directors” in this prospectus.

#### B. *Information of Many Idea HuangTingting Limited*

Many Idea HuangTingting Limited is a BVI investment holding company wholly owned by Ms. Huang. Ms. Huang is our executive Director. For her biography, please refer to the section headed “Directors and Senior Management — Directors — Executive Directors” in this prospectus.

#### C. *Information of Many Idea CaiHaixu Limited*

Many Idea CaiHaixu Limited is a BVI investment holding company wholly owned by Mr. Cai Haixu (蔡海旭). Mr. Cai Haixu is an individual investor. He is currently a member of the senior management of Baomao Investment Management Group Co., Ltd.\* (寶茂投資管理集團有限公司), a PRC company primarily focusing on investment and financial consulting business, including pre-IPO investment, private equity, asset management and green financing. Mr. Cai was awarded the “Top 10 New PRC PE Investor 2020” Conferred by 2020 China Venture Capital Annual List Golden Investment Prize List “中國風險投資研究院中國風險投資年度榜單—金投獎榜單”. We became acquainted with Mr. Cai Haixu through Mr. Liu, who was introduced and referred to Mr. Cai Haixu as a supervisor of Huijin Venture Capital (Shanghai) Co., Ltd. (徽瑾創業投資(上海)有限公司), which is at the same time the executive partner of Changxing Qianrun Equity Investment Centre (Limited Partnership)\* (長興乾潤股權投資中心(有限合夥)), one of our institutional Shareholders, in 2020. Subsequently, Mr. Liu met with Mr. Cai in Baomao Investment Management Group Co., Ltd. (寶茂投資管理集團有限公司) in Shanghai on several occasions for discussions on, amongst others, potential cooperation opportunities including the Pre-IPO Investment.

#### D. *Information of Ultra Joy*

Ultra Joy is a BVI investment holding company wholly owned by Ms. Lo Siu Lucy (羅霄). Ms. Lo Siu Lucy is an individual investor with over 15 years of experience in business administration and 6 years of experience in education industry. We became acquainted with Ms. Lo Siu Lucy through Mr. Liu in a social gathering organised by the Youth Committee of Beijing Overseas Friendship Association (北京海外聯誼會青委會), members of which included both Mr. Liu and Ms. Lo Siu Lucy, in 2019.

### *E. Information of Luo Jia Holdings Limited*

Luo Jia Holdings Limited is a BVI investment holding company wholly owned by Harneys Trustees Limited, a BVI limited company set up for the purpose of a family trust. Mr. Chen Zuotao (陳作濤) is the sole director of Luo Jia Holdings Limited. He is currently the chairman of the board of directors of Top Resource Conservation & Environment Corp. (天壕環境股份有限公司), a company listed on The Shenzhen Stock Exchange (stock code: 300332) and the chairman of the board of directors of Giantec Semiconductor Corporation (聚辰半導體股份有限公司), a company listed on The Shanghai Stock Exchange (stock code: 688123). We became acquainted with Mr. Chen Zuotao through Mr. Liu, who was Mr. Chen Zuotao's classmate in advanced study courses of Industry and Finance CEO Training Programme in PBC School of Finance, Tsinghua University (清華大學五道口金融學院產融CEO培養項目), in around 2017.

### *F. Information of Many Idea Zheng Lianfa Limited*

Many Idea Zheng Lianfa Limited is a BVI investment holding company wholly owned by Mr. Zheng Lianfa (鄭連發). Mr. Zheng Lianfa is an individual investor. He is the founding partner of Unique Capital Angel Fund\* (惟一資本天使基金), a PRC company primarily focuses on venture capital investments business. He is also an executive director of Ningyi (Xiamen) Private Equity Fund Management Co., Ltd.\* (零以(廈門)私募基金管理有限公司). He holds an executive master of business administration (EMBA) degree from Tsinghua University (清華大學), the PRC. We became acquainted with Mr. Zheng Lianfa through Mr. Liu in Xiamen Enterprise Chamber of Commerce in Beijing (北京廈門企業商會), in around 2019. Mr. Zheng Lianfa was the executive chairman of Xiamen Enterprise Chamber of Commerce in Beijing (北京廈門企業商會), and Mr. Liu was its executive vice chairman (常務副會長) in year of 2019. Both of them are alumnus of PBC School of Finance, Tsinghua University (清華大學五道口金融學院).

### *G. Information of Evergreen*

Evergreen is a BVI investment holding company owned as to 90% by Mr. Zhao Jingming (趙靜明) and 10% by Mr. Zhao Shengyu. Mr. Zhao Jingming is an individual investor. He is currently a chairman of the board of directors of Beijing Cachet Fuller Asset Management Co., Ltd.\* (北京凱世富樂資產管理股份有限公司), a PRC company primarily focuses on asset management and investment consulting business. Further, one of the shareholders of our Company as at the Latest Practicable Date, Pingtan Guotai Jiase Investment Management Partnership (Limited Partnership)\* (平潭國泰嘉澤投資管理合夥企業(有限合夥)), a PRC limited partnership, was owned as to 99.9697% by Mr. Zhao Jingming. We became acquainted with Mr. Zhao Jingming through Mr. Liu, who was Mr. Zhao Jingming's classmate in advanced study courses in Scientific Entrepreneur Programme (科學企業家課程) in PBC School of Finance, Tsinghua University (清華大學五道口金融學院), in 2021.

**H. Information of Huirong Gold Control Limited**

Huirong Gold Control Limited is a BVI investment holding company wholly owned by Mr. Liu Jian. Mr. Liu Jian is an individual investor with extensive experience in investment and asset management industry. We became acquainted with Mr. Liu Jian through Mr. Liu, who was Mr. Liu Jian's classmate in advanced study courses in Cultural and Creative Financial Leadership Programme (文創金融領袖項目) in PBC School of Finance, Tsinghua University (清華大學五道口金融學院), in around 2019.

**I. Information of Many Idea Lin Hai Limited**

Many Idea Lin Hai Limited is a BVI investment holding company wholly owned by Mr. Lin Hai (林海). Mr. Lin Hai is an individual investor. He is the chairman of the board of Guilin Mass Inspiration Investment Co., Ltd.\* (桂林市海量靈感投資管理有限公司). We became acquainted with Mr. Lin Hai through Mr. Liu, who was introduced and referred to Mr. Lin Hai by their mutual acquaintance, Mr. Liu Zhen (劉振), who is the founder and chief executive officer of Wudao Group (五道集團), in 2021. Subsequently, Mr. Liu met with Mr. Lin in Shanghai on several occasions for discussions on, amongst others, potential cooperation opportunities including the Pre-IPO Investment.

**J. Information of Qiu Xiaozhen (邱曉真)**

Ms. Qiu Xiaozhen is an individual investor investing in a personal capacity. We became acquainted with Ms. Qiu Xiaozhen through Mr. Liu. Ms. Qiu was a vice president (副總經理) of Well Charming Asset Management Co., Ltd (驛逸資產管理有限公司), an asset management company incorporated in Hong Kong, between 2015 and 2020. We became acquainted with Ms. Qiu Xiaozhen through Mr. Liu, who was introduced and referred to Ms. Qiu Xiaozhen by a partner of one of our institutional Shareholders, Xiamen Oriental Fortune II Investment Partnership (Limited Partnership)\* (廈門東方匯富貳期投資合夥企業 (有限合夥)), who to the best of the knowledge of our Directors, is the sister in law of Ms. Qiu, in around 2017.

**K. Information of Yuan Yin (苑茵)**

Ms. Yuan Yin is an individual investor investing in a personal capacity. We became acquainted with Ms. Yuan Yin through Mr. Liu, who was introduced and referred to Ms. Yuan Yin by their mutual acquaintance, Mr. Zhang Jiqi (張集琪), a fellow from Fujian Province and, to the best knowledge of Mr. Liu, a client of Ms. Yuan Yin, in around 2017. Ms. Yuan Yin was engaged in, amongst others, assets management and wealth planning businesses for family offices and Mr. Liu is one of her clients.

**13. Pre-IPO Investment: Further subscription and allotment of Shares**

On 24 January 2022, our Company entered into a subscription agreement (the "Subscription Agreement") with Asia One Developments Co., Ltd. ("Asia One"), pursuant to which Asia One, as a strategic investor, agreed to subscribe for and our Company agreed to issue 2,461,841 Shares, representing 5.5006% interest in our Company

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

as enlarged by such subscription at a consideration of US\$11,000,000. The allotment and issue of 2,461,841 Shares to Asia One were completed and the consideration was settled by Asia One on 27 January 2022. As a result, Asia One became a shareholder of our Company, holding 5.5006% of the issued share capital of our Company as at the Latest Practicable Date.

Asia One is a Hong Kong investment holding company wholly owned by Mr. Huang Di (黃迪). Asia One has been focusing on investment of companies listed on the Hong Kong Stock Exchange or overseas stock exchanges. For instance, it was involved in investment of shares of Full Truck Alliance Co. Ltd (NYSE: YMM) in 2021, Youdao, Inc. (NYSE: DAO) in 2021, Tuya Inc. (NYSE: TUYA) in 2021 and Li Auto Inc. (LI.US) in 2020. We became acquainted with Mr. Huang Di through Mr. Liu, who was introduced and referred to Mr. Huang Di by their mutual acquaintance, Mr. Wang Yongjun (王擁軍), an executive director and chairman of the board of ANE (Cayman) Inc. (a company listed on the Main Board of Hong Kong Stock Exchange (stock code: 9956)), in 2021. Mr. Wang Yongjun was Mr. Liu's classmate in advanced study courses, PBC School of Finance, Tsinghua University (清華大學五道口金融學院). Subsequently, Mr. Liu met with Mr. Huang in Shanghai on several occasions for discussions on, amongst others, potential cooperation opportunities including the Pre-IPO Investment.

### *Salient Terms in the Subscription Agreement*

Investor:	Asia One Developments Co., Ltd.
Date of the Subscription Agreement:	24 January 2022
Consideration:	US\$11,000,000
Basis of consideration:	Based on the pre-money valuation of our Group in the amount of RMB1,200 million
Date of payment:	27 January 2022
Other term:	As a condition precedent of the Subscription Agreement, Asia One as lender, entered into a loan agreement with the Company as borrower, pursuant to which, Asia One agreed to lend to the Company US\$3,000,000 for a period of 6 months and at the interest rate of 6% per annum.
Cost per Share paid by Asia One (taking into account the Capitalisation Issue):	approximately HK\$2.4535

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Premium over the mid-point of the indicative Offer Price range <sup>(Notes 1 and 2)</sup> :	approximately 15.19%
Strategic benefits that Asia One would bring:	Our Directors believe that the investment made by Asia One will serve as additional capital for our business and increase our liquidity to strengthen our Group's financial position.
Shareholding in our Company upon completion of the Reorganisation and Pre-IPO Investment:	2,461,841 Shares (representing 5.5006% of the total issued share capital of our Company upon completion of the Subscription Agreement)
Shareholding in our Company immediately following completion of the Capitalisation Issue and the Global Offering <sup>(Note 1)</sup> :	35,204,118 Shares (representing 4.4005% of the total issued share capital of our Company immediately following completion of the Capitalisation Issue and the Global Offering)
Relationship with our Group:	Asia One and Mr. Huang Di (黃迪), its ultimate beneficial owner, are Independent Third Parties
Use of proceeds:	The entire net proceeds from Asia One of US\$11,000,000 has been injected to our Company on 27 January 2022. All such net proceeds being US\$11,000,000 from Asia One will be utilised as working capital of our Group and for Reorganisation purpose. As at the Latest Practicable Date, the net proceeds from Asia One has been fully utilised.
Lock-up period:	6 months from the Listing Date
Public float:	The Shares to be held by Asia One upon Listing will be considered as part of the public float for the purpose of Rules 8.08 and 8.24 of the Listing Rules.
Special rights given to Asia One:	Nil

*Notes:*

1. Calculation is based on a total of 800,000,000 Shares, being the number of Shares in issue immediately upon completion of the Capitalisation Issue and the Global Offering (assuming that the Pre-HKIPO Loans are not converted into Shares and the Over-allotment Option and the options which may be granted under the Share Option Scheme are not exercised).
2. Calculation is based on HK\$2.13 per Share, being the mid-point of Offer Price range stated in this prospectus.



## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

### PRE-IPO INVESTMENT BY WAY OF PRE-HKIPO LOANS

The following table summarises the Pre-IPO Investment made by each of (i) ZGC International Limited (中關村國際有限公司) (“ZGC”); (ii) Many Idea Xue Jun Limited (“Many Idea Xue Jun”); (iii) Huirong Gold Control Limited (“Huirong”); and (iv) Great Earn International Limited (“GEI”) in our Company by way of the Pre-HKIPO Loans.

Investor:	ZGC International Limited (中關村國際有限公司)	Many Idea Xue Jun Limited	Huirong Gold Control Limited	Great Earn International Limited
Date of investment:	26 January 2022	26 January 2022	24 January 2022	27 January 2022
Amount of investment:	US\$5 million	US\$1 million	US\$600,000	HK\$3,000,000
Settlement date of investment amount:	26 January 2022	27 January 2022	27 January 2022	28 January 2022
Investment cost per Share <sup>(Note 1)</sup> :	HK\$2.45	HK\$2.45	HK\$2.45	HK\$2.44
Conversion price <sup>(Note 2)</sup> :	US\$4.4569 per Share	US\$4.4569 per Share	US\$4.4682 per Share	HK\$34.9293 per Share
Premium over the mid-point of the indicative Offer Price range:	14.90%	14.90%	15.19%	14.68%
Use of proceeds from the Pre-IPO Investment:	For general corporate purposes and Reorganisation purpose (the proceeds had been fully utilised as at the Latest Practicable Date)			
Shareholding in our Company upon completion of the Global Offering <sup>(Note 3)</sup> :	Approximately 1.9507%	Approximately 0.3901%	Approximately 2.2191% <sup>(Note 4)</sup>	Approximately 0.1493%
Lock-up period:	There is a 6-month lock-up restriction against each of ZGC, Many Idea Xue Jun, Huirong and GEI under the Pre-HKIPO Loans.			

*Notes:*

1. Based on 16,042,445 Shares, 3,208,489 Shares, 1,920,224 Shares and 1,228,187 Shares to be held by each of ZGC, Many Idea Xue Jun, Huirong and GEI upon full conversion of the Pre-HKIPO Loans.
2. Calculated by the pre-money valuation of our Group in the amount of RMB1,200 million, divided by the number of Shares to be converted under the respective Pre-HKIPO Loans (assuming that no Capitalisation Issue has taken place).
3. Assuming that the Pre-HKIPO Loans would be converted into Shares on Listing Date.
4. Included Shares held by Huirong as at the Latest Practicable Date.

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

In January 2022, our Company as borrower entered into a convertible loan agreement (together, the “**Loan Agreements**”) with each of (i) ZGC; (ii) Many Idea Xue Jun; (iii) Huirong; and (iv) GEI (together, the “**Pre-HKIPO Loan Lenders**”), respectively, pursuant to which each of the Pre-HKIPO Loan Lenders agreed to grant a loan to our Company in the principal amount of (i) US\$5 million (in respect of ZGC); (ii) US\$1 million (in respect of Many Idea Xue Jun); (iii) US\$600,000 (in respect of Huirong); and (iv) HK\$3,000,000 (in respect of GEI), respectively (collectively, the “**Pre-HKIPO Loans**”). The Pre-HKIPO Loans were drawn down in January 2022.

In the event that the Pre-HKIPO Loans are converted into Shares on the Listing Date pursuant to the terms of the Loan Agreements, each of ZGC, Many Idea Xue Jun, Huirong and GEI will become interested in 1.9507%, 0.3901%, 2.2191% (including Shares held by Huirong as at the Latest Practicable Date) and 0.1493% of the total issued Share capital of our Company immediately after the Global Offering (without taking into account Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Options and the options which may be granted under the Share Option Schemes).

### Principal Terms of the Loan Agreements

To the best of the knowledge of our Directors, the terms of the Loan Agreements were agreed at after arm’s length negotiation between each of ZGC, Many Idea Xue Jun, Huirong and GEI and our Company. The principal terms of the Loan Agreement are as follows:

<b>Name of Investor</b>	:	ZGC International Limited (中關村國際有限公司)	Many Idea Xue Jun Limited	Huirong Gold Control Limited	Great Earn International Limited
<b>Date of the Loan Agreement</b>	:	26 January 2022	26 January 2022	24 January 2022	27 January 2022
<b>Principal amount</b>	:	US\$5 million	US\$1 million	US\$600,000	HK\$3,000,000
<b>Borrower</b>	:	Our Company			
<b>Interest</b>	:	8% per annum (or nil if Conversion (as defined below) takes place)			
<b>Maturity date</b>	:	12-month from date of drawdown			

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

- Conversion** : (1) Following the release of results of the HK Listing committee hearing regarding our Company's listing application (the "**Pre-Listing Conversion Event**"), the Pre-HKIPO Loan Lenders shall have a right to make a written request to our Company to convert the whole of the outstanding principal amount of the Pre-HKIPO Loans into Conversion Shares at the Conversion Price (as defined below) at their respective discretions within three (3) Business Days upon the occurrence of such Pre-Listing Conversion Event, and our Company shall endeavour to provide reasonable assistance in completing the Conversion on Listing Date, subject to the applicable rules and regulations, procedures and decisions from the Hong Kong Stock Exchange or the SFC (the "**Pre-Listing Conversion**"). As of the Latest Practicable Date, our Company did not receive any request from the Pre-HKIPO Loan Lenders in respect of the Pre-Listing Conversion. Therefore, no Conversion shall take place on the Listing Date.
- (2) In the event that the Pre-Listing Conversion Event does not take place for whatever reason and HK Listing becoming unconditional (the "**Post-Listing Conversion Event**", together with the Pre-Listing Conversion Event, the "**Conversion Event**"), the Pre-HKIPO Loan Lenders can, at their respective discretions, make a written request to our Company to convert the whole of the principal amount of the Pre-HKIPO Loans into Conversion Shares at the Conversion Price, and our Company shall endeavour to provide reasonable or necessary assistance in completing the Conversion, subject to the applicable rules and regulations, procedures and decisions from the Hong Kong Stock Exchange or the SFC (the "**Post-Listing Conversion**", together with the Pre-Listing Conversion, the "**Conversion**").

The Conversion Event shall only trigger the Conversion if and only if it occurs on or before the maturity date of the Pre-HKIPO Loans or such other later dates as may be agreed between our Company and the Pre-HKIPO Loan Lenders in writing from time to time. Further, for avoidance of doubt, the Conversion shall take place in full at one time and no partial Conversion shall be taken place.

The conversion price (the "**Conversion Price**") shall be US\$4.4569 (in respect of ZGC and Many Idea Xue Jun) or US\$4.4682 (in respect of Huirong) or US\$4.4682/HK\$34.9293 (with exchange rate of USD to HKD being 7.8173) (in respect of GEI) per Conversion Share subject to adjustment in accordance with Capitalisation Issue. Save for Capitalisation Issue, the Conversion Price is not subject to other adjustment.

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

**Events of default** : Typical events of default clauses and in addition, any rejection of the application of HK Listing by the Hong Kong Stock Exchange, SFC, or the shareholders meeting of our Company to oppose, amongst others, the Global Offering by way of ordinary resolutions.

Our Company shall notify the Pre-HKIPO Loan Lenders when our Company has become aware of the occurrence of any event of default. Our Company shall rectify the breach within 10 Business Days upon receiving notice from the Pre-HKIPO Loan Lenders about the breach leading to an event of default. If our Company fails to rectify the said breach within the aforesaid time limit, the Pre-HKIPO Loan Lenders may, by giving notice to our Company, terminate the Loan Agreement and declare that all or part of the Pre-HKIPO Loans and all other amounts accrued or outstanding under the Loan Agreement be immediately due and payable, whereupon they shall become immediately due and payable.

Further terms in respect of ZGC and Many Idea Xue Jun: Notwithstanding the event of default, in the event that the HK Listing has not taken place on or before 31 August 2022, our Company shall rectify such breach on or before 31 December 2022. If our Company fails to rectify the said breach on or before 31 December 2022, the Pre-HKIPO Loan Lenders may, by giving notice to our Company: (a) terminate the Loan Agreement; and (b) declare that all or part of the Pre-HKIPO Loans and all other amounts accrued or outstanding under the Loan Agreement be immediately due and payable, whereupon they shall become immediately due and payable.

**Termination** : (1) The conversion of the Pre-HKIPO Loans into the Shares upon our Company and completion of the delivery of the Shares;

(2) The repayment of the Pre-HKIPO Loans plus accrued interest in the event of non-occurrence of the Conversion Event on or before the maturity date or such other later dates as may be agreed between our Company and the Pre-HKIPO Loan Lenders in writing from time to time; or

(3) The occurrence of any event of default by our Company.

As at the Latest Practicable Date, there has not been any early termination repayment and redemption under the Loan Agreement.

Assuming conversion takes place for all Shares under the Pre-HKIPO Loans by the Pre-HKIPO Loan Lenders on the Listing Date, our Company shall allot and issue 16,042,445 Shares to ZGC, 3,208,489 Shares to Many Idea Xue Jun, 1,920,224 Shares to Huirong and 1,228,187 Shares to GEI which the Pre-HKIPO Loan Lenders will represent approximately 2.7237% of the total issued share capital of our Company upon the completion of the Global Offering (excluding the existing Shares held by Huirong as at the Latest Practicable Date and without taking into account Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Options and the options which have been granted under the Share Option Schemes).

### Background of Pre-HKIPO Loan Lenders

#### Background of ZGC

ZGC is a company incorporated in the BVI, principally engaged in investment and asset management, high-tech corporate incubation and financial services. ZGC is an offshore investment platform wholly-owned by Zhongguancun Development Group Co., Ltd.\* (中關村發展集團股份有限公司) (“ZGC Group”). ZGC Group is directly managed by the Beijing Municipal Science and Technology Commission (北京市科學技術委員會) and the Zhongguancun Science and Technology Park Management Committee\* (中關村科技園區管理委員會), which is a municipal government agency of the Beijing Municipal People’s Government and is responsible for supervising the affairs of the Zhongguancun Science and Technology Park. As a market-oriented entity that provides strategic resources to promote innovation, the principal business of Zhongguancun Group consists of four main segments, namely technology park operation, industrial investment, technology finance and technology services. We first met with the representatives of ZGC at the 8th annual meeting of Zhongguancun Fintech Forum (2021第八屆中關村金融科技論壇年會) in late 2020 and became acquainted with ZGC through Mr. Hu Han (胡晗) who is the deputy director (投資發展部副總監) of investment department of ZGC in 2021 when it started to explore investment opportunities in, amongst others, our Group.

#### Background of Many Idea Xue Jun

Many Idea Xue Jun is wholly owned by Mr. Xue Jun (薛軍). Mr. Xue Jun is an individual investor. He is the founding partner of Road Capital (之路資本). Road Capital comprises a team of investment veterans, with investment focus on technology industry, in particular innovative technologies with leading, innovative, core technological achievements, and having development potential in the PRC market. Previous investment experience included investment with PRC banks, investment funds and trust companies, etc. We became acquainted with Mr. Xue Jun in 2021 through ZGC with which Mr. Xue Jun has long term strategic relationship, being an external committee member of ZGC’s investment committee.

#### Background of Huirong

Please refer to the paragraph headed “— Reorganisation — Further information about the Pre-IPO Investors at Company Level — H. Information of Huirong Gold Control Limited” in this section of this prospectus for background of Huirong and its ultimate beneficial owner, Mr. Liu Jian.

#### Background of GEI

GEI is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of Teamway International Group Holdings Limited (“Teamway”). The issued shares of Teamway are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 1239). Teamway is an investment holding company, and through its subsidiaries, is primarily focusing on operating a business of design, manufacture and sale of packaging products and structural components in the PRC and

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

property investment. We became acquainted with Ms. Ngai Mei (魏薇), an executive director of Teamway, who was introduced and referred to Mr. Liu by their mutual acquaintance, who is the chief secretary of Alumni Association of Fujian of Finance and EMBA, Tsinghua University PBC (清華大學五道口金融EMBA福建同學會秘書長) and a shareholder of Teamway, in 2021.

To the best knowledge, information and belief of, and having made all reasonable enquiries by our Directors, each of the Pre-HKIPO Loan Lenders is Independent Third Party. The subscription of the Shares through conversion of the Pre-HKIPO Loans by the Pre-HKIPO Loan Lenders as stated above was not financed directly or indirectly by any connected persons of our Company.

There were no special rights granted to the Pre-HKIPO Loan Lenders in connection with their investments in our Group. The Pre-HKIPO Loan Lenders' shareholding in our Company will be counted as part of the "public float" for the purpose of Rule 8.24 of the Listing Rules.

### **Strategic benefits brought by the Pre-IPO Investors under the Pre-IPO Investments**

Our Directors are of the view that the Pre-IPO Investors have strengthened our Company's shareholder base and our capital, and the funds raised from the Pre-IPO Investors and Pre-HKIPO Loans were used for our business operations, business development and Reorganisation. Our Directors are also of the view that our Company would benefit from our Pre-IPO Investors' business resources, network, knowledge and experience, and potential business opportunities, co-operations and benefits that may be provided by them.

Our Pre-IPO Investors include investment funds, partner of investment fund, key figures of assets/investment/fund management companies and individuals who are experienced in investing in the high end technology industry, for example Many Idea CaiHaixu Limited, Many Idea Zheng Lianfa Limited, Evergreen, Huirong, Many Idea Lin Hai Limited, Ms. Qiu Xiaozhen, Asia One, ZGC, and Mr. Xue Jun, which our Directors believed that our Group could benefit from the investors' industry insights and guidance in formulation of our business and expansion strategies. Further background of these Pre-IPO Investors is set out in paragraphs headed "— Further information about the Pre-IPO Investors at Company level" and "— Background of Pre-HKIPO Loan Lenders" in this section of this prospectus.

In addition, other Pre-IPO Investors, for example, Ultra Joy, Ms. Yuan Yin and GEI, invested in our Group as they have confidence in us, and therefore our Directors believed that they can help us achieve business synergies through enhanced business networking. Further, our Directors were of the view that our Group could benefit from the Pre-IPO Investors' commitment to our Group as their investment demonstrates their confidence and endorsement of the performance, management and prospects of our Group.

Further, in respect of Many Idea ChenShancheng Limited and Many Idea HuangTingting Limited, whose ultimately beneficial owners, namely Mr. Chen SC and Ms. Huang, are our executive Directors, their Pre-IPO Investments serve as an incentive and a commitment for them to continue to strive for the continuous success of our Group in the future.

### **Compliance with Interim Guidance and Guidance Letters**

After reviewing the Pre-IPO Investments documents, and given that (i) our Directors confirmed that the terms of the Pre-IPO Investments were determined based on arm's length basis; and (ii) the Pre-IPO Investments were completed more than 120 clear days prior to the first day of trading of our Company's Shares on the Hong Kong Stock Exchange, the Sole Sponsor confirms that the investments of the Pre-IPO Investors are in compliance with the Interim Guidance on Pre-IPO Investment issued by the Hong Kong Stock Exchange on 13 October 2010 and as updated in March 2017, the Guidance Letter HKEX-GL43-12 issued by the Hong Kong Stock Exchange in October 2012 and as updated in July 2013 and March 2017 and the Guidance Letter HKEX-GL44-12 issued by the Hong Kong Stock Exchange in October 2012 and updated in March 2017.

Our Directors confirmed that save for (i) the subscription of shares as described in the paragraph headed "Pre-IPO Investments at Company Level" in this section, (ii) the Subscription Agreement with Asia One; and (iii) the Loan Agreements with the Pre-HKIPO Loan Lenders, there is no other side agreement, arrangement, or understanding between each of the Pre-IPO investors and the Company, including their respective shareholders, directors or senior management, or any of their respective associates in relation to the Pre-IPO investment in, and/or the management/operation of, our Company.

### **Public Float**

The Shares indirectly held by Mr. Liu and Ms. Qu, being the ultimate Controlling Shareholders through Many Idea Liujianhui, Xiamen Dream Future, and Many Idea Qushuo, and Ms. Huang, Mr. Chen SC and Mr. Chen ZM, being executive Directors of our Company, will not be considered as part of the public float. The Shares held by the other existing Shareholders, including the Pre-IPO Investors under the Pre-IPO Investments, will be counted towards the public float upon the Listing for the purpose of Rule 8.08 of the Listing Rules. Immediately following completion of the Capitalisation Issue and the Global Offering (assuming the Over-allotment Option and the options which may be granted under the Share Option Scheme are not exercised at all) there will be approximately 63.6787% (assuming that the Pre-HKIPO Loans are not converted into Shares) or approximately 64.6680% (assuming that the Pre-HKIPO Loans were converted into Shares) of the total issued Shares held by the public.

### **Completion and Settlement**

As at 31 January 2022, each of the acquisitions and equity transfers pursuant to the Reorganisation has been properly and legally completed and settled, including all applicable regulatory approvals having been obtained.

### **Full Compliance with the Applicable PRC Laws and Regulations**

Our PRC Legal Advisers are of the view that all necessary approvals required under the PRC laws and regulations in relation to the steps of the Reorganisation in the PRC as described above have been obtained and the procedures involved have been carried out in accordance with all applicable PRC laws and regulations.



### SAFE and ODI Registration

Pursuant to the Circular 37, promulgated by SAFE and which became effective on 4 July 2014, (a) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests to an overseas special purpose vehicle (the “Overseas SPV”) that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing and (b) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change, in respect of the Overseas SPV, including, among other things, a change of Overseas SPV’s PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV’s capital, share transfer or swap, and merger or division.

Pursuant to the Circular 13, the power to accept SAFE registration was delegated from local SAFE to local banks where the assets or interests in the domestic entity are located.

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) promulgated by the NDRC on 26 December 2017, and became effective on 1 March 2018 and the Administrative Measures for Overseas Investment by Enterprises (《企業境外投資管理辦法》) promulgated by the MOFCOM on 6 September 2014 and became effective on 6 October 2014 (collectively, the “ODI Rules”), a domestic institution shall undergo registration procedure for foreign investment in accordance with the provisions of the ODI Rules, which requires the domestic institution to register with relevant authorities prior to its overseas direct investment and obtain relevant record-filing, approval, certificate or permit.

As advised by the PRC Legal Advisers, our executive Directors, who are PRC residents and indirectly hold shares in our Company, namely, Mr. Liu, Ms. Qu, Mr. Chen SC, Ms. Huang and Mr. Chen ZM, have completed the foreign exchange registration pursuant to the Circular 37 and Circular 13. To the best of our Directors’ knowledge, as at the Latest Practicable Date, certain PRC resident individuals who indirectly hold shares of our Company (“Certain PRC Individual Shareholders”) have not completed the foreign exchange registration. Such Certain PRC Individual Shareholders may be ordered to make corrections, given a warning and fined up to RMB50,000 under the relevant foreign exchange laws for failing to complete their foreign exchange registration. Given that all of our executive Directors have completed the foreign exchange registration in accordance with Circular 37 and Circular 13, and that our Group’s domestic foreign-invested enterprises, namely WFOE and Xiamen Instant Interactive, have completed the foreign exchange registration of foreign-invested enterprises in accordance with the relevant PRC laws, the PRC Legal Advisers are of the view that the non-completion of the foreign exchange registration by Certain PRC Individual Shareholders will not have negative impact on the compliance of our Group, the Reorganisation and the Listing under applicable PRC laws and regulations. Further, as advised by the PRC Legal Advisers, each of the PRC corporate shareholders of our Company, namely Xiamen Dream Future, Pingtan Guotai Jiase Investment Management Partnership (Limited Partnership), Hainan Wutong Xinhe Investment Holdings Co., Ltd. and Ningbo Qichen Huamei Equity Investment Fund Partnership (Limited Partnership), has completed their respective overseas direct investment registration/record-filing with regard to their shareholding in our Company, respectively, pursuant to the ODI Rules.

### M&A Rules

Pursuant to Article 11 of the M&A Rules, where a domestic individual person intends to take over his/her related domestic company in the name of an offshore company which he/she lawfully established or controls, the takeover shall be subject to the examination and approval of MOFCOM.

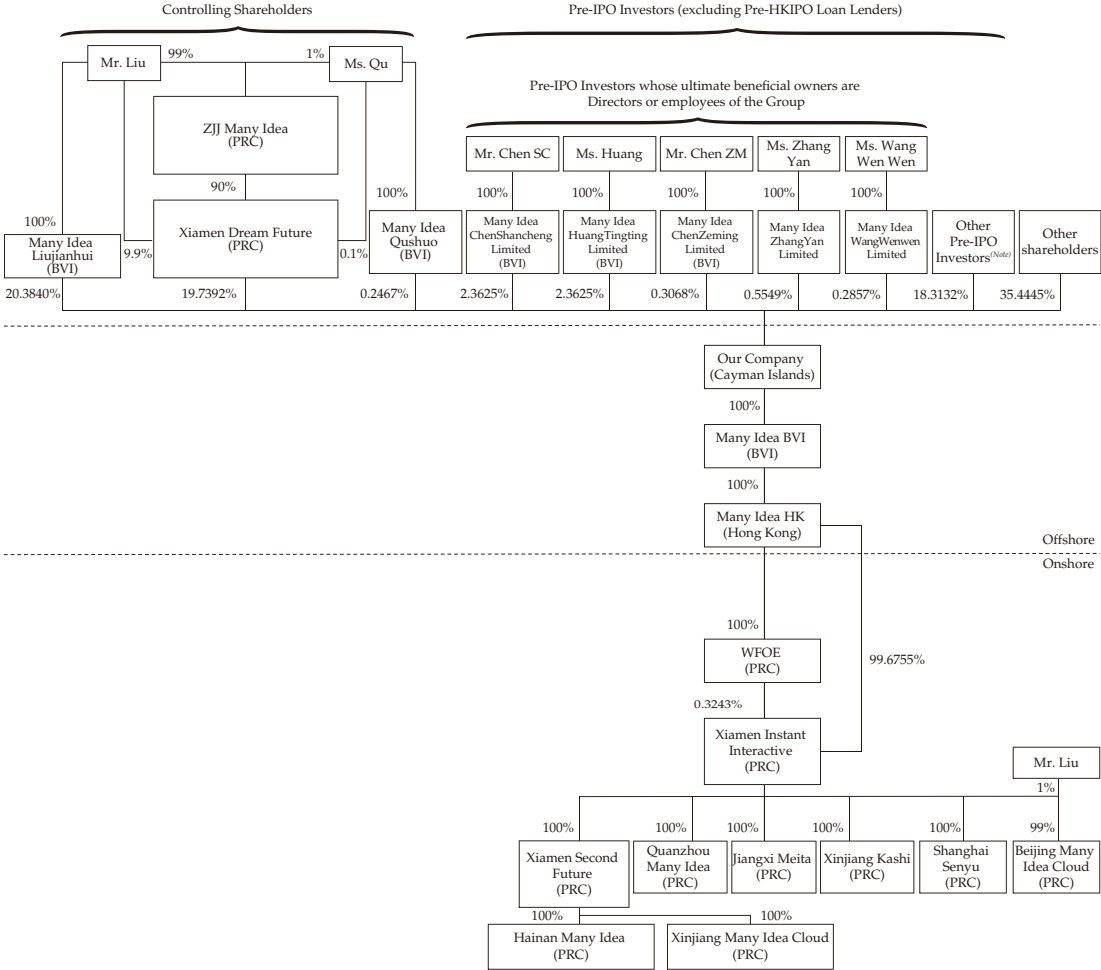
As advised by the PRC Legal Advisers, Article 11 of the M&A Provisions does not apply to our Reorganisation, because (i) WFOE was a wholly-owned foreign enterprise newly established in 2021 by direct foreign investment, and its establishment was not subject to the M&A Rules; (ii) at the time of acquisition of 2.6412% equity interest in Xiamen Instant Interactive by Yuan Yin, Yuan Yin was a foreign investor and was independent from Xiamen Instant Interactive and its shareholders; and (iii) in the case of acquisition of 100% equity interest in Xiamen Instant Interactive by WFOE and Many Idea HK, Xiamen Instant Interactive was a foreign-invested enterprise, therefore the acquisition of the equity interests in Xiamen Instant Interactive by WFOE and Many Idea HK is not subject to the M&A Rules.

According to the Measures for Foreign Investment Information Reporting (《外商投資信息報告辦法》), foreign investors carry out direct or indirect investment activities in PRC, foreign investors or foreign investment enterprises shall submit investment information to the competent commerce departments of the PRC Government. As advised by our PRC Legal Advisers, WFOE and Xiamen Instant Interactive (as foreign investment enterprises) have completed the submission in accordance with the Measures for Foreign Investment Information Reporting.

# HISTORY, REORGANISATION AND CORPORATE STRUCTURE

## CORPORATE AND SHAREHOLDING STRUCTURE

The following chart shows the corporate and shareholding structure of our Company after the Reorganisation but immediately before completion of the Capitalisation Issue and the Global Offering (assuming that the Pre-HKIPO Loans are not converted into Shares and the Over-allotment Option and the options which may be granted under the Share Option Scheme are not exercised at all):

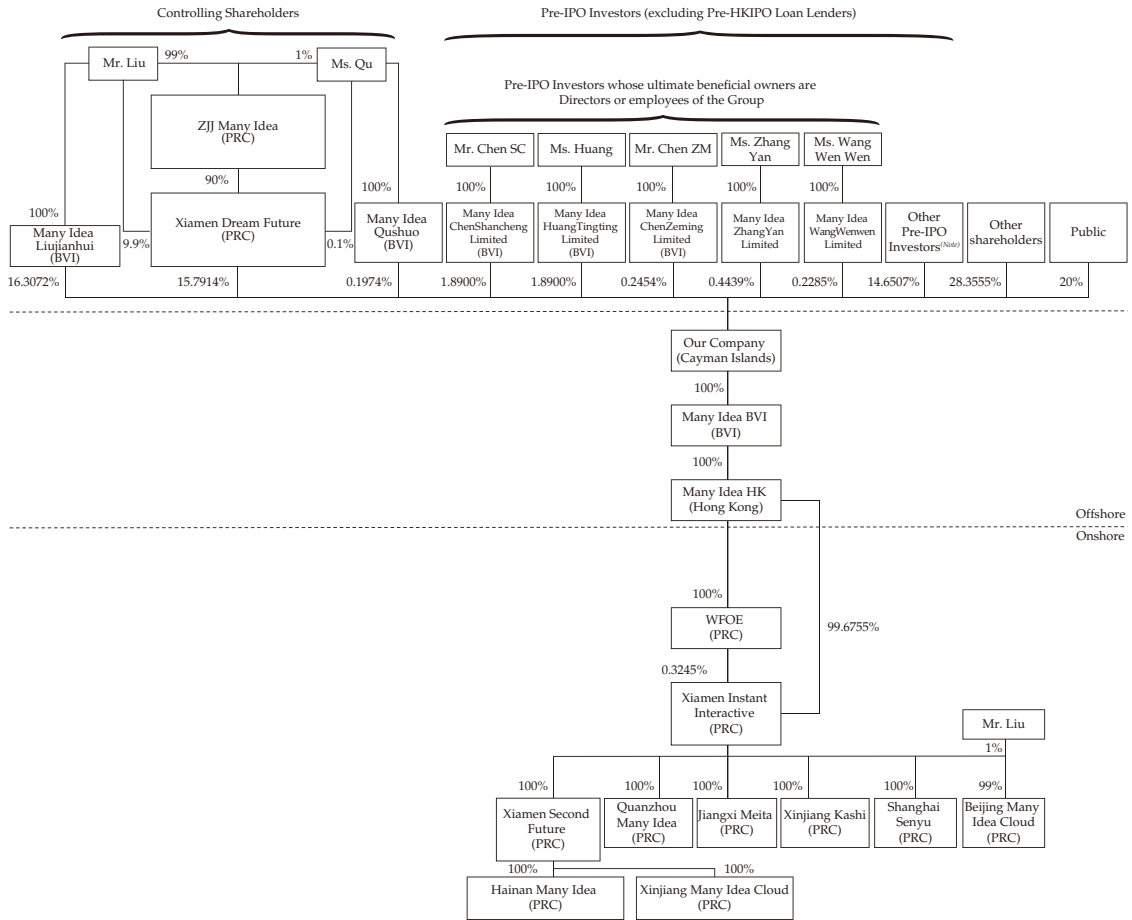


Note:

- For details, please refer to the paragraph headed “— Reorganisation — Pre-IPO Investments at Company Level” in this section of this prospectus.

# HISTORY, REORGANISATION AND CORPORATE STRUCTURE

The following chart shows the corporate and shareholding structure of our Company immediately following completion of the Capitalisation Issue and the Global Offering (assuming that the Pre-HKIPO Loans are not converted into Shares and the Over-allotment Option and the options which may be granted under the Share Option Scheme are not exercised at all):

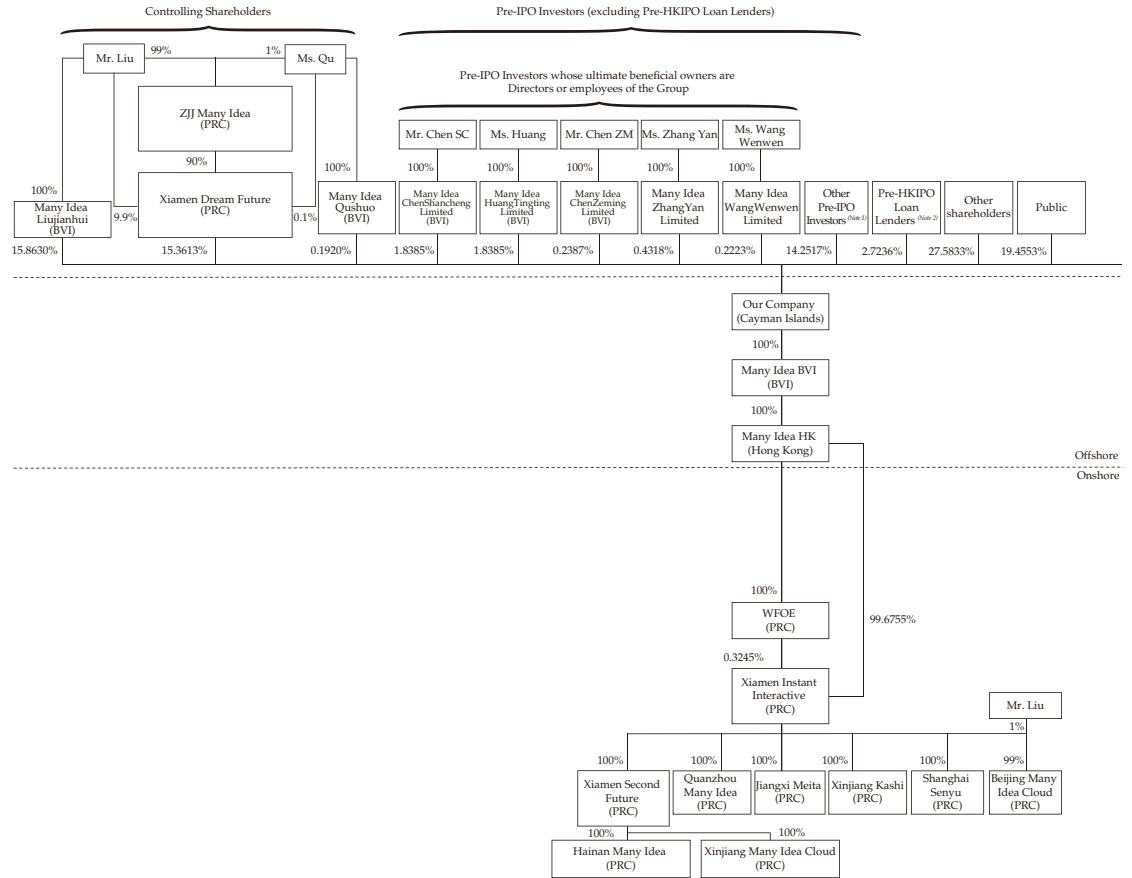


Note:

- For details, please refer to the paragraph headed “— Reorganisation — Pre-IPO Investments at Company Level” in this section of this prospectus.

# HISTORY, REORGANISATION AND CORPORATE STRUCTURE

The following chart shows the corporate and shareholding structure of our Company immediately following completion of the Capitalisation Issue and the Global Offering (assuming that the Pre-HKIPO Loans were converted into Shares and the Over-allotment Option and the options which may be granted under the Share Option Scheme are not exercised at all):



*Notes:*

1. For details, please refer to the paragraph headed “— Reorganisation — Pre-IPO Investments at Company Level” in this section of this prospectus.
2. For details, please refer to paragraph headed “— Pre-IPO Investment by way of Pre-HKIPO Loans” in this section of this prospectus.

# HISTORY, REORGANISATION AND CORPORATE STRUCTURE

## SHAREHOLDERS OF THE COMPANY

The table below sets forth a list of our Shareholders (i) as at the Latest Practicable Date; (ii) immediately following completion of the Capitalisation Issue and the Global Offering (assuming that the Pre-HKIPO Loans are not converted into Shares and the Over-allotment Option and the options which may be granted under the Share Option Scheme are not exercised at all); and (iii) immediately following completion of the Capitalisation Issue and the Global Offering (assuming that the Pre-HKIPO Loans were converted into Shares and the Over-allotment Option and the options which may be granted under the Share Option Scheme are not exercised at all):

	Number of issued Shares of our Company held at as at the Latest Practicable Date	Percentage (%)	Number of issued shares of our Company held immediately following completion of the Capitalisation Issue and the Global Offering	Percentage (%)	Number of issued shares of our Company held immediately following completion of the Capitalisation Issue and the Global Offering and assuming that the Pre-HKIPO Loans were converted into Shares	Percentage (%)
<b>Controlling Shareholders</b>						
1. Many Idea Liujianhui	9,122,949	20.3840	130,457,399	16.3072	130,457,399	15.8630
2. Xiamen Dream Future	8,834,380	19.7392	126,330,885	15.7914	126,330,885	15.3613
3. Many Idea Qushuo	110,427	0.2467	1,579,097	0.1974	1,579,097	0.1920
<i>Subtotal (1 to 3)</i>	<i>18,067,756</i>	<i>40.3699</i>	<i>258,367,381</i>	<i>32.2960</i>	<i>258,367,381</i>	<i>31.4163</i>
<b>Pre-IPO Investors (excluding Pre-HKIPO Lenders)</b>						
<b>a. Pre-IPO Investors whose ultimate beneficial owners are Directors or employees of the Group</b>						
4. Many Idea ChenShancheng Limited	1,057,341	2.3625	15,119,887	1.8900	15,119,887	1.8385
5. Many Idea HuangTingting Limited	1,057,341	2.3625	15,119,887	1.8900	15,119,887	1.8385
6. Many Idea ChenZeming Limited	137,293	0.3068	1,963,278	0.2454	1,963,278	0.2387
7. Many Idea ZhangYan Limited	248,358	0.5549	3,551,498	0.4439	3,551,498	0.4318
8. Many Idea WangWenwen Limited	127,857	0.2857	1,828,344	0.2285	1,828,344	0.2223
<i>Subtotal (4 to 8)</i>	<i>2,628,190</i>	<i>5.8724</i>	<i>37,582,894</i>	<i>4.6978</i>	<i>37,582,894</i>	<i>4.5698</i>
<b>b. Other Pre-IPO Investors</b>						
9. Asia One	2,461,841	5.5006	35,204,118	4.4005	35,204,118	4.2807
10. Many Idea CaiHaixu Limited	601,044	1.3429	8,594,878	1.0744	8,594,878	1.0451
11. Ultra Joy	422,937	0.9450	6,047,963	0.7560	6,047,963	0.7354
12. Luo Jia Holdings Limited	422,937	0.9450	6,047,963	0.7560	6,047,963	0.7354
13. Many Idea Zheng Lianfa Limited	528,671	1.1812	7,559,950	0.9450	7,559,950	0.9193
14. Evergreen	925,091	2.0670	13,228,723	1.6536	13,228,723	1.6086
15. Many Idea Lin Hai Limited	422,937	0.9450	6,047,963	0.7560	6,047,963	0.7354
16. Qiu Xiaozhen (邱曉真)	422,937	0.9450	6,047,963	0.7560	6,047,963	0.7354
17. Yuan Yin (苑茵)	845,873	1.8900	12,095,912	1.5120	12,095,912	1.4708
18. Huirong <sup>(Note 1)</sup>	1,141,929	2.5515	16,329,488	2.0412	16,329,488	1.9856
<i>Subtotal (9 to 18)</i>	<i>8,196,197</i>	<i>18.3132</i>	<i>117,204,921</i>	<i>14.6507</i>	<i>117,204,921</i>	<i>14.2517</i>

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

	Number of issued Shares of our Company held at as at the Latest Practicable Date	Percentage (%)	Number of issued shares of our Company held immediately following completion of the Capitalisation Issue and the Global Offering	Percentage (%)	Number of issued shares of our Company held immediately following completion of the Capitalisation Issue and the Global Offering and assuming that the Pre-HKIPO Loans were converted into Shares	Percentage (%)
<b>Pre-HKIPO Loan Lenders</b>						
18A. Huirong <sup>(Note 1)</sup>	–	–	–	–	1,920,224	0.2335
19. ZGC	–	–	–	–	16,042,445	1.9507
20. Many Idea Xue Jun	–	–	–	–	3,208,489	0.3901
21. GEI	–	–	–	–	1,228,187	0.1493
<i>Subtotal (18A to 21)</i>	–	–	–	–	22,399,345	2.7236
<b>Other Shareholders</b>						
22. Many Idea Wang Yu Ming Limited	2,374,755	5.3061	33,958,795	4.2448	33,958,795	4.1292
23. Ningbo Qichen Huamei Equity Investment Fund Partnership (Limited Partnership)* (寧波啟辰華美股權投資基 金合夥企業(有限合夥))	1,334,671	2.9821	19,085,682	2.3857	19,085,682	2.3207
24. Many Idea Hu Xiaowei Limited	1,284,976	2.8711	18,375,048	2.2969	18,375,048	2.2343
25. Wanhui International Holding Company Limited (萬暉國際控股有限公司)	1,039,556	2.3227	14,865,563	1.8582	14,865,563	1.8076
26. Hainan Wutong Xinhe Investment Holdings Co., Ltd.* (海南梧桐信合投資控股有限公司)	1,019,017	2.2769	14,571,857	1.8215	14,571,857	1.7719
27. Shelter Rock Holding Company Limited (守護者控股有限公司)	1,017,600	2.2737	14,551,594	1.8189	14,551,594	1.7694
28. Many Idea Wu Rongzhao Limited	1,016,583	2.2714	14,537,051	1.8171	14,537,051	1.7676
29. BKDR (Hong Kong) Company Limited (寶凱道融(香港)有限公司)	508,800	1.1368	7,275,797	0.9095	7,275,797	0.8847
30. Pingtan Guotai Jiaze Investment Management Partnership (Limited Partnership)* (平潭國泰嘉澤投資管理 合夥企業(有限合夥))	339,200	0.7579	4,850,531	0.6063	4,850,531	0.5898
31. Other individual shareholders of our Company <sup>(Note 2)</sup>	5,928,209	13.2458	84,772,886	10.5966	84,772,886	10.3081
<i>Subtotal (22 to 31)</i>	15,863,367	35.4445	226,844,804	28.3555	226,844,804	27.5833
32. Public Shareholders pursuant to the Global Offering	–	–	160,000,000	20	160,000,000	19.4553
<b>Total</b>	<b>44,755,510</b>	<b>100</b>	<b>800,000,000</b>	<b>100</b>	<b>822,399,345</b>	<b>100</b>

*Notes:*

- Huirong is also one of the Pre-HKIPO Loan Lenders. For details, please refer to paragraph headed “— Pre-IPO Investment by way of Pre-HKIPO Loans” in this section of this prospectus.
- The ultimate beneficial owners of the remaining 23 individual shareholders of our Company were Independent Third Parties each held less than 2% of interests in our Company as at the Latest Practicable Date.



## **OVERVIEW**

We provide integrated marketing solutions services in the PRC. Our integrated marketing solutions services consist of five types of marketing services, namely (i) content marketing; (ii) SaaS interactive marketing; (iii) digital marketing; (iv) public relations event planning; and (v) media advertising. Content marketing uses content as the carrier and integrates advertisements into various events and videos to achieve marketing purposes. It can be divided into two broad categories: event content marketing and digital content marketing. Among event content marketing, sports content marketing rely on sports events such as marathons and street dancing for marketing purposes. We have been successful in the provision of event content marketing services.

We have capability on project planning, design, operation and execution and we are able to facilitate our brand customers to enhance the effectiveness of their marketing campaigns and brand value through our content marketing projects. During the Track Record Period, we had a number of content marketing projects featuring unique IP contents such as ABC Kids Planet Race\* (小馬星球), Sofa Music Festivals\* (沙發音樂節) and Fashion Week Series\* (國際時尚週). For each year/period during the Track Record Period, revenue attributable to our content marketing services accounted for approximately 63.7%, 57.7%, 53.2% and 57.4% of our total revenue for 2019, 2020, 2021 and 4M2022, respectively.

In view of the increasing demand from our customers for maximising the value of its online private traffic through the use of quality and efficient SaaS marketing platform, we began to prepare for the expansion into the SaaS interactive marketing services in 2018. Through our continuous development efforts, we officially launched our SaaS interactive marketing platform, Content Engine (內容引擎), in June 2021.

For our SaaS interactive marketing services, we offer a cloud-based marketing solutions platform to our customers. Customers can subscribe and utilise our interactive marketing templates and tools on our platform to manage their marketing campaigns. The introduction of SaaS interactive marketing services is an important business expansion strategy as we believe such service can complement and create synergy effects with our other marketing solutions services and provide a more comprehensive integrated marketing solutions experience to our customers.

For our digital marketing, our services generally include the provision of advertisement and marketing services on online (such as video and social media platforms). For our media advertising services, we generally provide advertisement and marketing services through traditional media channels (such as television and outdoor public advertising resources).

For our public relations event planning services, we provide event planning services which generally include event planning, event promotion, event set up and hosting and overall event management.

## BUSINESS

We have received numerous awards for our projects such as China Advertising Great Wall Award\* (中國廣告長城獎), an award granted by the China Advertising Association\* (中國廣告協會) which is a national industry association with over 35 years of history, and China Advertising Marketing Awards\* (中國廣告營銷大獎), an award granted by China Advertising Magazine\* (中國廣告雜誌社) which is a professional advertising magazine in the PRC.

Through our integrated marketing solutions services, we can provide our customers with both online and offline marketing solutions services to enhance the awareness and popularity of their brands and products. Our customers consist of a number of brands which we have developed a stable business relationship. During the Track Record Period, we were engaged by over 200 customers to provide our integrated marketing solutions services and some of these customers include:



## BUSINESS

The following table sets forth the breakdown of our Group's revenue, in terms of amount and as a percentage to our total revenue, by our services offering for the periods indicated:

	For the year ended 31 December						For the four months ended 30 April			
	2019		2020		2021		2021		2022	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Content marketing	249,175	63.7	178,051	57.7	188,164	53.2	20,372	29.0	82,546	57.4
SaaS interactive marketing <sup>1</sup>	-	-	-	-	10,581	3.0	-	-	8,951	6.2
Digital marketing	62,972	16.1	73,123	23.7	87,950	24.9	30,757	43.8	24,959	17.4
Public relations event planning	42,870	11.0	39,428	12.8	25,434	7.2	5,866	8.4	3,858	2.7
Media advertising	36,021	9.2	17,775	5.8	41,171	11.7	13,224	18.8	23,493	16.3
<b>Total</b>	<b>391,038</b>	<b>100.0</b>	<b>308,377</b>	<b>100.0</b>	<b>353,300</b>	<b>100.0</b>	<b>70,219</b>	<b>100.0</b>	<b>143,807</b>	<b>100.0</b>

Note:

- We did not generate any revenue from our SaaS interactive marketing services in 2019, 2020 and 4M2021 as we officially launched the Content Engine platform under our SaaS interactive marketing services in June 2021.

### OUR COMPETITIVE STRENGTHS

We believe the following competitive advantages have contributed to our success and will drive our growth in the future:

**We are a PRC event content marketing services company with capability of project planning, design, operation and execution, through which we support our customers to enhance the effectiveness of their marketing campaigns and brand value**

We are a PRC event content marketing services company. Event content marketing services rely primarily on offline events such as concerts, marathons, fashion shows and other local events, to conduct marketing activities.

We believe that the extensive resources we have accumulated throughout the years of our operation provide us with a competitive advantage to provide integrated marketing solutions services to our customers. With extensive experience in integrated marketing solutions services, we have deep understanding of the market and our customers' demands. Further, leveraging on our planning, design, operation and execution capabilities of IP contents, we are able to facilitate our customers to increase brand awareness from their end-customers and to enhance their interactions with their end-customers, especially with particular success through event content marketing projects.

During the Track Record Period, we had a number of content marketing projects featuring unique IP contents such as ABC Kids Planet Race\* (小馬星球), one of our content marketing projects utilising our self owned IP contents, and Fashion Week Series\* (國際時尚週) which took place in cities worldwide with designers in the PRC and overseas participated in the events.

We have received numerous awards for our various projects such as China Advertising Great-wall Awards\* (中國廣告長城獎), an award granted by the China Advertising Association\* (中國廣告協會) which is a national industry association with over 35 years of history, and China Advertising Marketing Awards\* (中國廣告營銷大獎), an award granted by China Advertising Magazine\* (中國廣告雜誌社) which is a professional advertising magazine in the PRC. We have also been selected as Top 20 Regional PR Companies in China\* (中國區域公關公司20強) by the Federation of Regional PR Agencies in China\* (中國公共關係行業區域聯盟) for over three years.

**With capability to integrate “online” and “offline” media channel resources, we are able to provide one-stop integrated marketing solutions services to our customers, thereby enhancing the publicity effect of marketing activities for our customers**

Not only are we well experienced in offline marketing projects, we are also adept at using online channels (such as online video platforms and social media platforms) and offline advertising channels (such as outdoor advertising public resources like buses and trains, elevators and public transport stations) to promote marketing activities for our customers. With our wealth of experience in online channels, we have provided digital marketing services to many well known brand customers utilising famous online channels (such as NetEase (網易), Toutiao (頭條), Weibo (微博), WeChat (微信) and Youku (優酷)). Further, we also have capability of integrating online and offline channel resources, enabling us to provide an integrated application of online and offline marketing services, including our event content marketing projects and digital content marketing projects, thereby enhancing the publicity effect of marketing activities for our customers and assisting our customers to gain awareness and recognition from their end-customers.

With years of operation in the industry, we have accumulated extensive resources and long term cooperations with a number of the upstream and downstream industry players. This has equipped us with knowledge of the operational characteristics of the different advertising and marketing channels, thereby allowing us to provide more tailored advertising and marketing strategies to our customers to achieve better marketing effects for them.

Our wide array of resources have laid a solid foundation to bolster our planning, design and publication capabilities. It allows us to have more accurate analysis of the characteristics and behaviours of the end-customers of our customers, through which we can better cater to our customers’ marketing demands with tailored made marketing plans and strategies utilising diversified marketing resources through our integrated marketing solutions services in content marketing services, digital marketing services, public relation event planning services and media advertising services. We believe that offering a diverse array of marketing solutions services to our customers is effective in promoting their brands and allows us to compete against other offline and online marketing competitors.

**We have stable cooperation with a large number of customers and majority of our customers come from fast moving consumer goods, footwear and apparel and real estate industries**

In respect of our content marketing services, we have the marketing rights to certain events featuring unique IP contents and sell sponsorship plans to advertise in these events to our customers for their marketing purposes. We have established strong business relationships with a number of our major customers. For example, we have business relationships with ABC Kids, Panpan\* (盼盼), Gold Crown\* (金冠) and HongXing Erke\* (鴻星爾克) for eight years, five years, five years and four years, respectively. We have also received recognition from sports brand companies. Six of the top ten sports brand companies in the PRC in terms of revenue in 2021 were our customers.

We also have an extensive customer base, which includes enterprises engaged in various industries such as footwear and apparel, food and beverage, daily necessities, real estate, fashion, electronics and internet, as well as governments and universities. Some of our customers' brands include, among others, HongXing Erke\* (鴻星爾克), ABC Kids, Hanhoo\* (韓后), Liby\* (立白), FILA (斐樂), Gold Crown\* (金冠), 361 Degrees\* (361度), Guirenniao\* (貴人鳥), Panpan\* (盼盼), Hengan\* (恒安), CR Land\* (華潤置地), Vanke\* (萬科) and Anjoy\* (安井). During the Track Record Period, we had in aggregate over 200 customers, with over 35% of them had engaged us for more than one project during the Track Record Period.

**We have capability to operate and commercialise IP contents through our integrated marketing solutions services**

Building upon our years of experience in providing integrated marketing solutions services to our customers, we have developed capability to operate and commercialise IP contents through our content marketing projects. For our content marketing projects, we integrate brands and products of our customers into the content marketing projects to promote our customers' brands and products which, at the same time, increase the popularity and commercial values of the IP contents through the projects.

Some of our representative content marketing projects included self owned IP content marketing projects and third party IP content marketing projects such as ABC Kids Planet Race\* (小馬星球), Sofa Music Festivals\* (沙發音樂節), Fashion Week Series\* (國際時尚週), China University Marathon League\* (中國大學生馬拉松聯賽) and CBC Street Dance Championship\* (CBC街舞冠軍賽) and a number of which have won industry awards including, among others, the Golden Bee Best Integrated Marketing Silver Award\* (金蜜蜂最佳整合行銷類銀獎), the 8th Social Marketing Golden Bee "Brand Marketing Gold Award"\* (第八屆社會化行銷金蜜蜂「品牌行銷類金獎」) and China Advertising Great-wall Awards "Annual Marketing Communication Case"\* (中國廣告長城獎「年度行銷傳播案例」).

Further, we have amassed a wide range of online media channels, including portals such as NetEase (網易), Weibo (微博) and WeChat (微信), video websites such as Youku (優酷) and community media such as Babytree (寶寶樹). We utilise these channels to provide further exposure and publicity to the events in our content marketing projects, in an effort to enhance the marketing effects on our customers' brands and products, as well as the popularity and commercial values of the IP contents featured in those projects.

**We are empowered by our SaaS interactive marketing platform, Content Engine, which provides integrated “Content + Technology” platform services with editable marketing templates and tools that can be tailored to different needs of our customers**

Given the rising costs in obtaining online public traffic, corporate customers are looking to maximise the value of online private traffic through the use of quality and efficient SaaS marketing platform. To capture the enormous market and business opportunities, we started to prepare for the expansion into the SaaS interactive marketing services in 2018. After in-depth research on the needs of our customers and discussion with our customers, as well as our extensive efforts in developing and improving the platform, we formally launched our Content Engine platform in June 2021.

Our Content Engine provides a cloud-based marketing solutions platform for our customers, which integrated “content and technology” with an aim to assist our customers to fully utilise and monetise their online private traffic through interactions with their end-customers, drive repurchase rates of their end-customers and realise growth of their business. Using our Content Engine platform, our customers can create customised online marketing contents, such as an interactive mini-game, to share with their existing end-customers, who can forward such contents to new end-customers. Our customers can also utilise the customised online interactive marketing contents through screens installed in offline stores to interact with end-customers. All of these enable our customers to effectively obtain new customers.

For example, one of our customers, a PRC cosmetic brand, published two WeChat posts on the same day in January 2022. The post which utilised the marketing template on our Content Engine had more than five times of the views than another post which did not utilise the marketing template on our Content Engine from the date of the posts till the Latest Practicable Date. Therefore, we believe that our marketing templates and tools on our Content Engine have been effective in assisting our customers in enhancing interactions with their end-customers.

Our Content Engine platform has many marketing templates which can be grouped into three main categories: (i) digital interactive marketing contents; (ii) screen interactive marketing contents; and (iii) creative marketing templates. These various marketing templates can be applied to many different and diverse industries and scenarios. Further, our Content Engine platform also provides our customers with marketing data management and analytical tools to assist them to manage their marketing campaigns on a single unified platform and analyse marketing data.

With a wide array of functions and diversified templates accessible to our customers for a modest annual subscription fee, we believe our SaaS interactive marketing services can improve advertising efficiency and reduce the cost of marketing services of our customers and allow us to compete against other online marketing competitors.

Due to our broad customer base and marketing experience, stable relations with industry partners and sound industry reputation, our Content Engine platform has gained recognition from our customers since its formal launch in June 2021. As at 30 September 2022, our Content Engine platform had over 8,000 user accounts.



**We have a visionary and experienced management team**

We have a strong management team with comprehensive operational and industry knowledge. Our Group is under the leadership of Mr. Liu, our founder and chairman of the Board, who has over 15 years of experience in the marketing industry who possesses excellent capabilities in sales and business management within the industry. In fact, Mr. Liu received the Annual Industrial Contribution Award\* from the Federation of Regional PR Agencies in China\* (中國公共關係行業區域聯盟) in 2017 and the 2017 Social Network Marketing Leader\* from the Advertiser\* (廣告主傳媒) in 2017 for his outstanding achievements and contributions in the field of domestic social network marketing. Other senior management members of our Group, such as Ms. Huang and Mr. Chen ZM, our executive Directors, also have strong marketing or related experience, strong industry background and extensive experience with our customers. For further details on the background and experience of our Directors and senior management, please refer to the section headed “Directors and Senior Management” in this prospectus.

**OUR STRATEGIES**

We plan to further increase our market share and enhance our overall competitiveness as an integrated marketing solutions provider by implementing the following strategies:

**Expand our SaaS interactive marketing business by enhancing the diversity and quality of our interactive creative management tools, investing in the data analytic abilities, and upgrading the platform with new functions**

Since the formal launch of our Content Engine platform, we have successfully gained recognition from our customers and have received encouraging feedbacks from them. With such positive feedbacks from our customers, it reinforces our determination to continue to enhance the capability and performance of our Content Engine platform. In order to capitalise on the continued growing demand from our customers for quality and efficient interactive marketing templates and tools, we plan to increase our investment in our SaaS interactive marketing platform including investment in interactive creative management tools, data analytics capabilities and to further enhance and develop the functions on the Content Engine platform so that we can provide more comprehensive interactive marketing functions to assist our customers to increase engagement of end-customers, increase their repurchase rates and acquire new end-customers.

With respect to the interactive creative management tools on our Content Engine platform, we plan to continue to develop more marketing templates to enable our customers to optimise their marketing campaigns and realise better marketing performance. We intend to further develop or enhance the functionalities of our Content Engine platform such as content module and open module. Content module will be devoted to research, development and production of new and creative marketing template. We plan to regularly update the marketing templates following the latest market trend, enabling our customers to successfully engage and interact with their end-customers with the latest news and top trends. We have obtained the licences for the copyrights of 200 anime image IPs for use in the creation of mini-games and H5 screen interactive marketing contents on our Content Engine platform. We also intend to



establish an open module on our platform to upgrade and connect the platform with design studios through API connections, allowing designers from China or even all over the world to share their marketing templates on our platform, which will enhance the content and diversity of marketing templates for our customers' use. We also plan to invest in the data analytic abilities of our Content Engine platform to enhance its analytical applications and to provide more targeted data analytic services to our customers.

We expect to implement the expansion plan of our SaaS interactive marketing business over the next two years and utilise approximately HK\$20.3 million and HK\$20.1 million of the net proceeds from the Global Offering by the years ending 31 December 2023 and 2024 respectively. For details on the breakdown of the net proceeds and the implementation timetable, please refer to the section headed "Future Plans and Use of Proceeds — Use of Proceeds" in this prospectus.

#### **Scale up our IP contents portfolio and expand our integrated marketing solutions businesses**

Through years of experience, we have acquired the capability to operate and commercialise self owned IP contents and third party IP contents. For example, we have successfully commercialised one of our own IP contents, ABC Kids Planet Race\* (小馬星球), where we had several content marketing projects utilising such IP contents during the Track Record Period. Given our success and expertise in operating and commercialising IP contents, we intend to further invest in the development of our own IP contents and acquisition of third party IP contents (such as games, movies and animes) to broaden our IP portfolio and enrich our IP contents offerings. We also intend to invest in the promotion of our IP contents to increase their popularity to enhance their commercial values and further fortify our market position as a PRC event content marketing services company.

To further expand our integrated marketing solutions business, we intend to further enhance our "online" and "offline" channel resources integration by deepening our cooperation with our existing media channels and exploring new business opportunities with new media channels. For example, we intend to increase our cooperation with additional online video platforms, live streaming platforms and popular KOLs to provide our customers with more diversified marketing and advertising channels to better suit their promotional campaigns.

We expect to implement the scaling up our IP contents portfolio and expanding our integrated marketing solutions businesses during the next two years and utilise approximately HK\$54.9 million and HK\$32.5 million of the net proceeds from the Global Offering by the years ending 31 December 2023 and 2024 respectively. For details on the breakdown of the net proceeds and the implementation timetable, please refer to the section headed "Future Plans and Use of Proceeds — Use of Proceeds" in this prospectus.

#### **Expand our geographical coverage and enlarge our customer base**

We plan to expand our geographical coverage and increase our customer base through strategic expansion in Beijing by upgrading our Beijing office to be our second headquarters to facilitate the promotion and expansion of our SaaS interactive marketing

## BUSINESS

services as Beijing is considered one of the IT centres in China, offering a large pool of technology and IT talents that are required by our SaaS interactive marketing services. We also plan to establish offices in first and second tier cities in the PRC (such as Shanghai, Shenzhen and Hangzhou). Along with expansion in these cities, we plan to hire sales and marketing personnel in these cities to provide comprehensive national coverage.

With the expansion of geographical coverage, we also intend to diversify our customer base to include, among others, customer from the wine and liquor, furniture and homeware, and cosmetic industries. We believe diversification and expansion of customer base will assist us to grow our business in the future.

We also intend to acquire new customers by further deepening our cooperation with marketing agency companies. We believe cooperation with these marketing agency companies would be an effective way to acquire new customers as they have access to brand owners and are in search of marketing and advertising opportunities.

We expect to implement our investment plan in expanding our geographical coverage and enlarging our customer base over the next two years and utilise approximately HK\$12.8 million and HK\$31.4 million of the net proceeds from the Global Offering by the years ending 31 December 2023 and 2024 respectively. For details on the breakdown of the net proceeds and the implementation timetable, please refer to the section headed “Future Plans and Use of Proceeds — Use of Proceeds” in this prospectus.

### **Pursue investment and acquisition opportunities**

We intend to selectively pursue strategic acquisitions and investments that are complementary to our growth strategies, particularly those that can help us enrich our offerings and enhance our technologies and products. We believe our extensive industry experience and insights will enable us to identify suitable targets and effectively evaluate and execute potential opportunities.

Our potential acquisition and investments targets will be upstream marketing industry players such as IP contents companies, content creation companies, SaaS technologies companies and media resources companies. Our targeted industry players should be able to, among other things, (i) create synergies with our operation by integrating special expertise (such as creative content production or SaaS technology expertise) with our Group; (ii) increase our product and service offerings; and/or (iii) engage in its business preferably in the area of SaaS interactive marketing, as this remains to be our strategic development focus and we expect it will become one of our key drivers of our future growth.

We plan to pursue our strategic investment and acquisition plan by initiating the search for potential targets in the second half of 2022. After identifying appropriate targets, we will start the processes of due diligence, valuation, negotiation and feasibility studies as part of the customary procedures towards closing the investments or acquisitions. We plan to utilise approximately HK\$39.9 million and HK\$48.5 million of the net proceeds from the Global Offering by the years ending 31 December 2023 and 2024, respectively, to close on the transactions.

# BUSINESS

## OUR BUSINESS MODEL

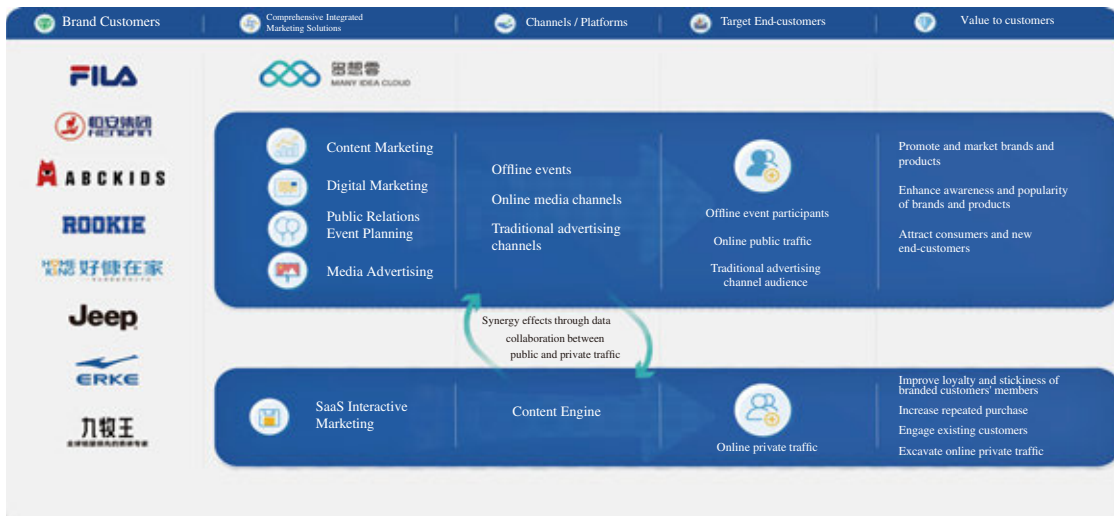
Our integrated marketing solutions services consist of five types of marketing services, namely (i) content marketing; (ii) SaaS interactive marketing; (iii) digital marketing; (iv) public relations event planning; and (v) media advertising. The development of these five types of services take their own turns.

We started our business first in public relations event planning services in 2012 and subsequently expanded to digital marketing services and media advertising services. Through organic growth, we further expanded to content marketing services in 2016. To capture the growing demand from our customers for maximising the value of online private traffic through the use of quality and efficient SaaS marketing platform, we started to prepare for the expansion into the SaaS interactive marketing services in 2018. Through our continuous development efforts, we formally launched our SaaS interactive marketing platform, Content Engine, in June 2021. As at 30 September 2022, our Content Engine platform had over 8,000 user accounts.

Our Content Engine platform is a cloud-based marketing solutions platform through which customers can subscribe to and utilise interactive marketing templates and tools to manage their marketing campaigns. We believe the introduction of our Content Engine platform can complement and create synergy effects with our other marketing solutions services and provide a more comprehensive integrated marketing solutions experience to our customers.

Through our integrated marketing solutions services, we can provide our customers with both online and offline marketing solutions services to enhance awareness and popularity of the brands and products of our customers. Over the years, we have established a broad base of customers and have accumulated abundant advertising and marketing resources.

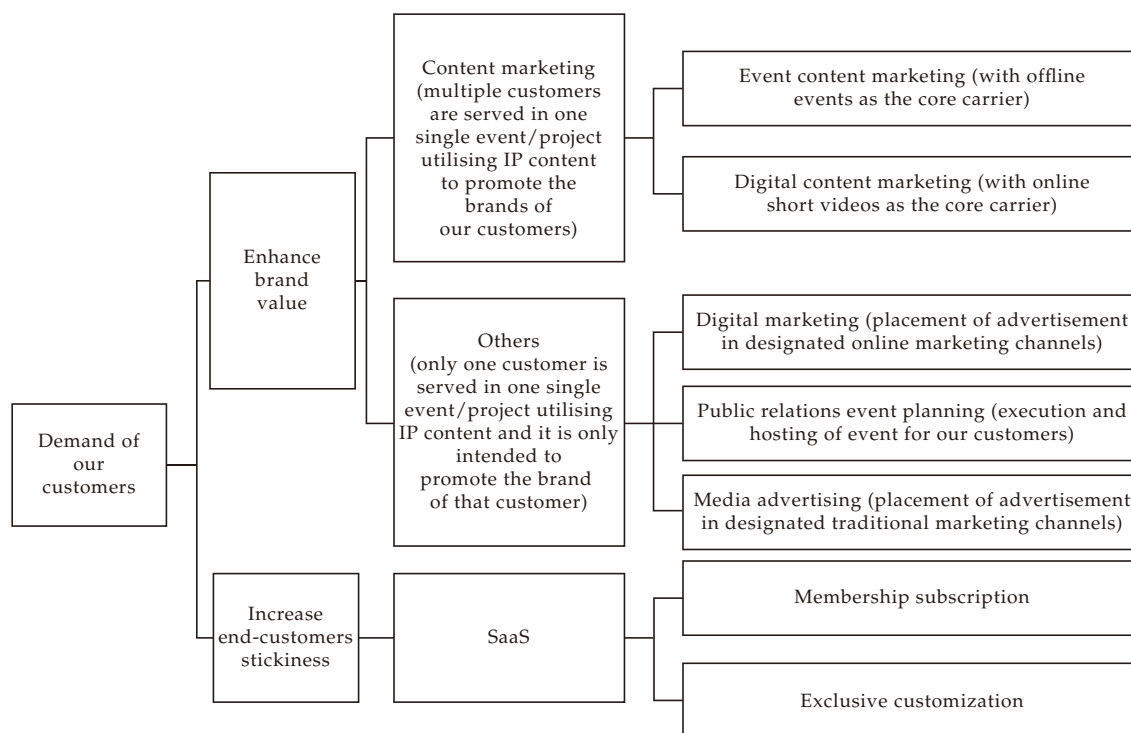
The below diagram generalises the business model of our integrated marketing solutions services.



**OUR INTEGRATED MARKETING SOLUTIONS**

Our integrated marketing solutions services consist of five types of marketing services, namely (i) content marketing; (ii) SaaS interactive marketing; (iii) digital marketing; (iv) public relations event planning; and (v) media advertising. Content marketing, digital marketing, public relations event planning and media advertising primarily aim to promote brand awareness and value of our customers, while SaaS interactive marketing primarily aim to enhance loyalty and stickiness of the end-customers of our customers, encourage repurchase rate and referral of new end-customers. Further, among content marketing, digital marketing, public relations event planning and media advertising, content marketing is able to promote multiple sponsored customers’ brands at the same time in a single project, while the other three types of marketing services provide exclusive one-to-one marketing solutions to a single customer in a single project.

The below diagram generalises the differences and features of our five types of marketing services.



Our integrated marketing solutions services cover a large customer base. We have particular success in the fast moving consumer goods (such as food and beverages and cosmetics), footwear and apparel (including sports brands) and real estate industries, with approximately 82.4%, 82.7%, 94.9% and 89.6% of our total revenue generated from customers in these industries for each year/period during the Track Record Period, respectively.

## BUSINESS

Among the five services of our integrated marketing solutions services, content marketing services contributed to the largest percentage as to our total revenue, while SaaS interactive marketing services is expected to be one of our future key drivers of growth, representing our most important strategic focus.

With our capability to operate and commercialise IP contents, the scale of our operations and established relationships with our suppliers, we are able to provide cost advantage to our customers utilising our integrated marketing solutions services. For our content marketing projects, through our ability to commercialise IP content, we can promote multiple sponsoring customers' brands at the same time in a single content marketing project. If a brand customer were to acquire and develop the IP content marketing project by itself to solely promote its own brand, it would need to bear all the associated expenses (including acquisition costs and/or development cost associated with the IP content, as well as the corresponding media advertising resources costs) by itself, which will be more costly and also less effective than participating in our project.

Taking one of our sports event content marketing projects as an example, we had acquired all the marketing rights for the project and sold the sponsorships, including one title sponsorship and three third tier sponsorships, to four sponsoring customers. Leveraging our expertise in planning and execution of event content marketing projects, our capabilities to obtain the marketing rights at a lower cost by bulk purchase and sharing our production costs of the project among all sponsoring customers, we were able to sell the one title sponsorship to our customer for only RMB5.0 million which was lower than our total cost for the project which amounted to approximately RMB6.2 million. Meanwhile, the aggregate revenue contributed by the sponsoring customers of this project amounted to around RMB9.8 million and we generated profit from the project. Therefore, by leveraging our capabilities, we were able to offer content marketing services to each of our sponsoring customers at a lower price and thus created value for numerous customers.

For our digital marketing services, we can leverage our scale of operations and relationships with online media channel providers to negotiate and obtain competitive prices and discounts. For example, we could enjoy an additional 15% discount from a renowned online media channel provider in the PRC if the amount of advertisement placements is over RMB1 million. By combining demands from our various customers, we can easily achieve such placement target and obtain the additional 15% discount as cash incentive, and thus offer a more competitive price to our customers. It may have been difficult for a single customer to reach the required placement target and enjoy the discount. Therefore, we are able to leverage on our scale of purchase to reach the target amount and enjoy the discount, and hence we could offer a more competitive price to our customers.

By engaging us through the integrated marketing solutions services we provide, our customers not only can benefit from the reduced costs in the projects resulting from our purchasing power and strategies to enjoy a lower price, but also can benefit from our extensive marketing experiences.

## **Content Marketing**

Content marketing refers to the commercial communication behaviour for the purpose of marketing with content as the core carrier. It combines marketing information with entertaining and interesting IP contents which can be presented through many different formats and ways, such as sports events, fashion shows and holiday celebrations that are hosted offline, and play series, short video clips and mini games that are presented through online media. Content marketing promotes multiple customers' brands and products in one single project. Contents with well-known IP can attract a large number of audiences and participants at the same time and therefore maximise exposures of customers' brands and products and marketing effects, thereby increasing the value of the marketing services.

We assist our customers, who are typically the sponsors in content marketing projects, with the planning, design and production and the implementation of a variety of interactive contents and marketing materials (e.g., text, pictures, audio, videos, and mini-games) into the projects to advertise and promote their brands and products. In addition, we also assist our sponsoring customers to achieve publicity and advertising traffic to promote their brands and/or products through online media channels such as NetEase (網易), Weibo (微博), WeChat (微信), Youku (優酷), KOLs, and other video and social media platforms. Through a combination of marketing solutions utilising digital and traditional advertising channels and the event itself, we are able to provide efficient and diverse marketing solutions to cater the different needs of our customers.

For each year/period during the Track Record Period, we had 28, 24, 18 and 10 content marketing projects, respectively. Our revenue contributed by content marketing services amounted to RMB249.2 million, RMB178.1 million, RMB188.2 million and RMB82.5 million, respectively, for each year/period during the Track Record Period. For the same periods, we had 42, 33, 30 and 16 customers in relation to our content marketing projects, respectively.

The project duration of our content marketing projects typically ranges from within one month to 10 months.

We recognise revenue from content marketing services over the period during which the related services are rendered when the customer simultaneously receives and consumes the benefits provided by us.

### ***Categorisations of Content Marketing Projects***

#### *Sports Content Marketing Projects and Fashion Lifestyle Content Marketing Projects*

Classified by project type, our content marketing services focus on two divisions, namely sports and fashion lifestyle.



## BUSINESS

Sports event content marketing services has increased from RMB1.2 billion to RMB3.3 billion from 2016 to 2021 with a CAGR of 22.4%. This huge increase is mainly driven by the encouragement of the Chinese government on increasing citizens' health condition and the announcement of National Fitness Programme (2016–2020) (《全民健身計劃(2016–2020年)》). Further, the State Council recently announced National Fitness Programme (2021–2025) (《全民健身計劃(2021–2025年)》) to emphasise the importance of fitness and community sports events. Increasing popularity of sporting events is considered as a future trend of China's event content marketing services market. Sports event content marketing services market is expected to further increase from RMB3.3 billion in 2021 to RMB12.2 billion in 2026, with CAGR of 29.9%.

For each year/period during the Track Record Period, sports content marketing projects accounted for approximately 56.2%, 40.4%, 58.3% and 46.1% of our total revenue from content marketing services, respectively.

Below table sets out a breakdown in terms of amount and as a percentage to our total revenue from content marketing services by project type during the Track Record Period:

	For the year ended 31 December						For the four months ended 30 April	
	2019		2020		2021		2022	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Sports	140,080	56.2	72,009	40.4	109,670	58.3	38,065	46.1
Fashion lifestyle	109,095	43.8	106,041	59.6	78,494	41.7	44,481	53.9
<b>Total</b>	<b>249,175</b>	<b>100.0</b>	<b>178,051</b>	<b>100.0</b>	<b>188,164</b>	<b>100.0</b>	<b>82,546</b>	<b>100.0</b>

### *Event Content Marketing Projects and Digital Content Marketing Projects*

Classified by the formats of presentation being offline or online, our content marketing services can be categorised into event content marketing projects primarily carried out through offline events and digital content marketing projects mainly delivered through online media.

Event content marketing primarily utilises offline events as the core content carrier to promote customers' brands and products. Such offline events can be, among others, sports events, fashion shows, and music festivals. Multiple customers' brands and products can be promoted in a single event to a large number of participants and audiences through advertisements incorporated and embedded in the event contents. Although the primary events for event content marketing projects are hosted offline, we also utilise online channels to promote the offline events.



Digital content marketing, on the other hand, primarily utilises online contents as the core content carrier to promote customers' brands and products. The online contents can be, among others, online short video clips and mini games. Our customers' products such as footwear, beverages and snacks and brands can be promoted through embedded advertisements incorporated within these online contents. Similar to event content marketing services, multiple customers' brands and products can be showcased and displayed throughout the online advertisements in a single event to the potential customers.

During the Track Record Period, there was a gradual shift of customers' demand from event content marketing services to digital content marketing services with the aim to minimise the impact of COVID-19 on offline events. For each year/period during the Track Record Period, revenue generated from our event content marketing projects accounted for approximately 94.1%, 75.4%, 72.4% and 53.8% of our total revenue from content marketing services, respectively, and revenue generated from our digital content marketing projects accounted for approximately 5.9%, 24.6%, 27.6% and 46.2% of our total revenue from content marketing services, respectively. For further details, please refer to the section headed "Financial Information — Key Components of Our Consolidated Statements of Profit or Loss — Revenue — Content Marketing — Content Marketing Projects Revenue by Nature of Primary Marketing Channel" in this prospectus.

*Self Owned IP Content Marketing Projects and Third Party IP Content Marketing Projects*

Our content marketing services can be categorised by the use of self owned IPs and third party IPs. For each year/period during the Track Record Period, revenue generated from our self owned IP content marketing projects accounted for approximately 13.9%, 29.3%, 31.3% and 44.5% of our total revenue from content marketing services, respectively, and revenue generated from our third party IP content marketing projects accounted for approximately 86.1%, 70.7%, 68.7% and 55.5% of our total revenue from content marketing services, respectively. For further details, please refer to the section headed "Financial Information — Key Components of Our Consolidated Statements of Profit or Loss — Revenue — Content Marketing — Content Marketing Projects Revenue by Ownership of IP Contents" in this prospectus.

We believe strengthening our own IP contents is to our interest, as we can broaden our IP contents portfolio to cater for our customers' demand and also benefit from the enhanced popularity and commercial values of the IP contents. We believe this will be beneficial in maintaining our competitiveness. As such, we intend to further invest in the development of our own IP contents to broaden our IP portfolio and enrich our IP contents offering. For further information, please refer to the section headed "Future Plans and Use of Proceeds — Use of Proceeds" in this prospectus.

*Representative Content Marketing Projects*

*Digital Content Marketing Projects*

Below are certain of our representative digital content marketing projects:

**Fashion Collectibles\* x Many Idea Cloud (時尚尖貨 x 多想雲)**

2021 FASHION 2021 FASHION 2021 FASHION 2021 FASHION 2021 FASHION

2021 FASHION 2021 FASHION 2021 FASHION 2021 FASHION 2021 FASHION

出品方: 多想互动 总冠名: 香蜜閩秀 行业指定: 鸿星尔克

片头总冠名联名LOGO角标展现

片中行业指定产品周边植入

片尾赞助商LOGO集体展现

片中行业指定LOGO及广告语展现

全片总冠名联名LOGO角标展现

媒体宣发及上线平台: 腾讯视频、爱奇艺、优酷视频、新浪微博、网易新闻;

*Project Description:* A live broadcasting short video series aiming to promote niche single floriculture, mixology and trendy items by creating an atmosphere that everything can be fashionable from the hosts' point of view. The programme was launched and disseminated in various platforms including Tencent Video, iQiyi, Youku, Weibo and NetEase (網易). Multiple sponsors' names are shown in the digital content marketing project through video clips in multiple ways, including joint logos, corner symbols, slogan subtitles, brand product placement and showing of brand information throughout the video.

*Example of Sponsoring Customers:* HongXing Erke\* (鴻星爾克) and COSO\* (香蜜閩秀)

All Hands on Deck\* x Many Idea Cloud (全體總動員 x 多想雲)

总冠名 小浣熊 GOSO 行业指定

片头总冠名联名LOGO展现

片中行业指定产品植入

片中总冠名产品植入

片尾赞助商信息集体展现

媒体宣发及上线平台: 新浪微博、西瓜视频、快手、美拍视频;

*Project Description:* A short video series combining stories and sports which seizes the increasing demand from people staying at home for fast weight loss and sports skills learning to stay healthy and keep fit in the post-COVID age. The video is disseminated through various online platforms such as Weibo, Xigua Video, Kuaishou and Meipai, to achieve wide-spread yet targeted exposure to core consumers. Similarly, multiple sponsors' names are shown in the digital content marketing project through video clips in multiple ways, including joint logos, corner symbols, slogan subtitles, brand product placement and showing of brand information throughout the videos.

*Example of Sponsoring Customers:* Little Raccoon (小浣熊) and COSO\* (香蜜閩秀)

Self Owned IP Event Content Marketing Projects

Below are certain of our representative self owned IP content marketing projects which are also event content marketing projects:

ABC Kids Planet Race\* (小馬星球)



*Project Description:* A series of children sports projects such as marathons and other sports events.

*Example of Sponsoring Customers:* Gold Crown\* (金冠), Panpan\* (盼盼) and Labixiaoxin Snacks\* (蠟筆小新休閒食品)

*Awards:* Golden Bee Best Integrated Marketing Silver Award\* (金蜜蜂最佳整合行銷類銀獎), Golden Yuan Award Music and Sports Silver Award and Golden Touch\* (金遠獎音樂體育類銀獎及金觸點), Wind Control Award\* (風掣獎), Golden Tree Award\* (金樹獎)



Sofa Music Festivals\* (沙发音乐节)



*Project Description:* A series of music festival projects held on beaches.

*Example of Sponsoring Customers:* Panpan\* (盼盼) and Hanhoo (韩后)

*Awards:* The 8th Social Marketing Golden Bee “Brand Marketing Gold Award”\* (第八届社会化行銷金蜜蜂「品牌行銷類金獎」)

*Third Party IP Event Content Marketing Projects*

Below are certain of our representative third party IP content marketing projects which are also event content marketing projects:

**Fashion Week Series\* (國際時尚週)**



*Project Description:* A series of fashion show projects held in different cities in the PRC and overseas.

*Example of Sponsoring Customers:* HongXing Erke\* (鴻星爾克) and Hanhoo\* (韓后)

*Awards:* China Advertising Great-wall Awards\* “Annual Marketing Communication Case”\* (中國廣告長城獎「年度行銷傳播案例」), Golden Touch “Global Commercial Innovation Overseas Marketing Silver Award”\* (金觸點「全球商業創新海外行銷銀獎」), Golden Bee “Best Integrated Marketing Bonus Award”\* (金蜜蜂「最佳整合行銷獎金獎」), and Suqin Conference 6th Dandelion “Integrated Communication Silver Award”\* (蘇秦會第六屆蒲公英「整合傳播銀獎」)



China University Marathon League\* (中國大學生馬拉松聯賽)



*Project Description:* The Federation of University Sports of China, in collaboration with Ali Sports, created the China University Marathon League\* where multiple Chinese universities participated in the various marathons.

*Example of Sponsoring Customers:* HongXing Erke\* (鴻星爾克), Hanhoo\* (韓后), Hengan\* (恒安) and Gold Crown\* (金冠)

CBC Street Dance Championship\* (CBC街舞冠軍賽)



*Project Description:* Street dancing competition held in various cities in the PRC.

*Examples of Sponsoring Customers:* Gold Crown\* (金冠) and Hanhoo\* (韓后)



*Sponsorship of Content Marketing Projects*

For our content marketing services, our customers are primarily brand owners which pay a sponsorship fee to us to acquire the sponsorship rights to the projects. We offer our customers different tiers of sponsorship plans and our customers are entitled to different sponsorship entitlements depending on the tier of sponsorship plans. By offering sponsorships to these projects, we can cater to our customers' marketing needs by integrating their brands and/or products into the projects. We are able to provide advertising and marketing services to multiple customers in a single project.

The form of sponsorship available to our customers generally comes in three different tiers of sponsorship plans: (i) title sponsor, (ii) licence or gold sponsor, and (iii) strategic or designated sponsor. Based on the tier of sponsorship plan our customers choose, they are entitled to different sponsorship entitlements to the projects such as number and types of advertisements, size and visibility of advertisements, and usage of IP contents of the projects. The table below sets out a general description of the different tiers of sponsorship that are generally available for our content marketing projects:

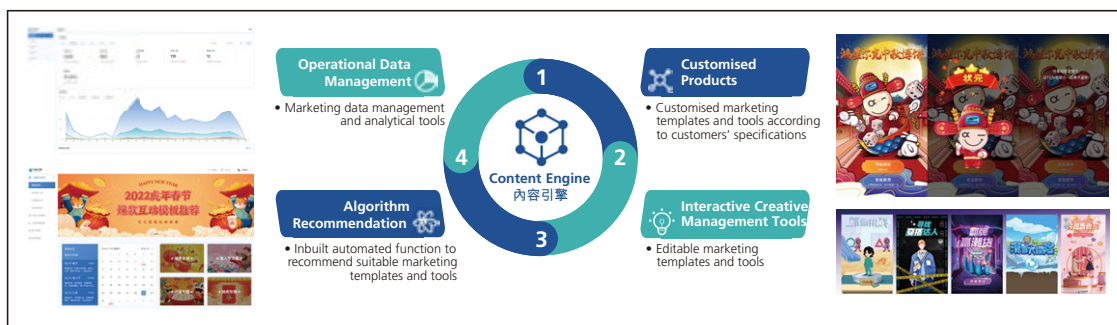
<b>Tier</b>	<b>General description</b>
Title Sponsor	<ul style="list-style-type: none"><li>• A title sponsorship generally comes with the most sponsorship entitlements such as rights to use the project title, pictures, videos, media and news reports, product placement in videos, live streaming of the events, promotions on applications, placing logos in prominent places at the events, posters, printed materials, exclusive performances, personalised booths, and gift packages. They are usually the highest tier sponsors and their names will come before other tiers of sponsors and usually there is only one title sponsor per project.</li></ul>
Licence or Gold Sponsor	<ul style="list-style-type: none"><li>• These are usually the second tier sponsors and the number, size, and duration of their advertisements generally are smaller and less prominent compared to that of the title sponsors and have less sponsorship entitlements.</li></ul>
Strategic or Designated Sponsor	<ul style="list-style-type: none"><li>• They are usually the lowest tier of sponsors and have the least sponsorship entitlements.</li></ul>

### SaaS Interactive Marketing

We began to prepare for the expansion into the SaaS interactive marketing services in 2018. Compared to our content marketing and other types of marketing services which primarily aim to popularise our customers’ brands and products, our SaaS interactive marketing services primarily aim to enhance the loyalty of existing individual members of the branded customers, improve their repeating purchase rate, and use interactive online marketing tools and templates to activate the interaction with its members by leveraging on cost-effective online private traffic of our customers.

After our continuous development efforts and investments, in June 2021, we formally launched our SaaS interactive marketing platform, Content Engine which provides cloud-based marketing solutions for customers to create customised marketing content for disseminating to their end-customers through excavating online private traffic.

The diagram below generalises the major functions of our Content Engine platform:



### Overview of our SaaS Interactive Marketing Platform

Based on our experience in integrated marketing solutions services and research on customers’ demands for quality and efficient interactive marketing templates and tools to excavate and maximise online private traffic, our Content Engine platform integrates our core interactive strategies in content marketing into digital standardised marketing templates. Marketing templates and tools on our Content Engine platform are aimed to enhance interactions of our customers with their end-customers, assist our customers to better utilise online private traffic, provide operational data analysis to our customers and assist them to manage their marketing campaign on a single unified platform. With the use of our Content Engine platform, it would assist our customers to increase engagement of existing end-customers, increase their repurchase rate and to acquire new end-customers.

Our own R&D team has successfully developed the functions and algorithm utilised in our SaaS interactive marketing platform. As at the Latest Practicable Date, our Group had registered three domain names, 60 trademarks, 30 software copyrights and 47 copyrights in the PRC and one trademark in Hong Kong, which we consider to be material to our business. In order to enhance the functionality of and contents on our Content Engine platform, we have also collaborated with external suppliers to support us. For

example, we have undertaken efforts to (i) cooperate with a graphic and poster creative design company to develop interactive marketing templates and tools; (ii) engage a data intelligence solution company for provision of data analysis services to be used on our platform; and (iii) obtain the licences for the copyrights of 200 anime image IPs for use in the creation of interactive marketing contents on our platform within the PRC.

### *Revenue Model*

Our SaaS interactive marketing service is offered in the form of (i) provision of subscription service and (ii) provision of customised marketing products. Under the subscription service model, customers can subscribe by paying different level of subscription fees which will provide them with access to the corresponding functions and marketing operation tools on the platform. Further, our customers can create sub-accounts for additional fees for different branches and personnel under the same group and thereby allowing our customers to easily manage group marketing campaigns on a single unified platform. For specialised marketing contents and materials, we will charge an additional fee for each usage. The subscription service generally is for annual subscription with a one year duration.

Under the customised service model, we provide customised marketing contents and materials to our customers according to their specific requirements for additional fees. Customised service is offered on a project basis and typically takes us around one month to prepare the customised marketing contents and materials. Our customers under this model will be granted exclusive use of the customised marketing contents and materials for a period of time and upon the expiration of the exclusive period, the marketing contents and materials will be released on our Content Engine platform.

For the subscription service, we recognise the subscription fees over time on a systematic basis over the contract term beginning from the date on which the service is made available to customer. For the customised service, we recognise revenue at the time when the control of customised marketing contents and materials are transferred to our customers.

### *Paying Users of our SaaS Interactive Marketing Platform*

Since the formal launch of our Content Engine platform in June 2021, it has achieved success. Our SaaS interactive marketing services are offered either through an annual subscription basis or a customised project basis. The annual subscription offers a three-tier subscription plan with each tier commensurate with a corresponding subscription price. For the four months ended 30 April 2022, our SaaS interactive marketing services had 23 customers, all of which are active and paying customers. In relation to the customised project services, we had 18 customers, all of which were our repeating customers (i.e., customers who had engaged us for more than one customised project). For the year ended 31 December 2021 and the four months ended 30 April 2022, our average revenue per user account was approximately RMB33,000 and RMB3,500, respectively. We recorded a lower average revenue per user account for the four months ended 30 April 2022 compared to the year ended 31 December 2021 partly because we had engaged SaaS agents to assist in the marketing and sales of our SaaS interactive marketing

services for the four months ended 30 April 2022 and the users who subscribed to our Content Engine through them usually subscribed to the lower tier subscription plans since our SaaS agents focus primarily on small and medium size customers. For further details, please refer to the paragraphs headed “— Our Integrated Marketing Solutions — SaaS Interactive Marketing — Sales Channel” and “— Pricing Strategies” in this section of this prospectus.

#### *Functions of our SaaS Interactive Marketing Platform*

The primary functions and features offered on our Content Engine platform include (i) interactive creative management tools; (ii) algorithm recommendation; and (iii) operational data management. All of these functions and tools are developed by us.

##### *Interactive Creative Management Tools*

We have developed various marketing templates and tools on our Content Engine platform including (i) digital interactive marketing contents which are mini-games designed for use by our customers online to interact with their end-customers, (ii) screen interactive marketing contents which are designed for use by our customers in offline stores or events to interact with their end-customers, and (iii) various creative marketing templates such as posters, long form posters, forms and tables. Our customers can click on the marketing templates and tools to easily modify it to create marketing contents and materials to meet their own marketing needs.

We also offer specific customisation services to our customers to create marketing templates and tools according to their specifications to meet their marketing needs. We charge additional fees for creating customised marketing templates and tools. We also charge additional fees on specialised marketing contents and materials.

To continue enhancing the marketing contents and materials on our Content Engine platform, we continuously create and/or update the marketing templates and tools to keep up with the changing marketing demands of our customers, their end-customers and the latest market trends. Some of the interactive marketing templates on our platforms include, among others, lucky draws, new product releases, promotional celebrations, and holiday blessing templates.

##### *Algorithm Recommendation*

To assist our customers to select the suitable templates from our vast collection of marketing templates for their marketing needs, we have developed and inbuilt an automated function on our Content Engine platform, which is able to automatically recommend templates to our customers according to their industries, customers’ preference or types of targeted end-customers. Further, our customers may also search for relevant templates by inserting key words to make the search or by selecting a few search criteria such as by industry, marketing purpose, types of mini-games, holidays and festivals and style.

### *Operational Data Management*

To enhance the effectiveness of our customers using our marketing templates on our Content Engine platform, we have developed various marketing data management and analytical tools which enable our customers to utilise such tools to consolidate the management of content usage of main accounts and sub-accounts. Restrictions and limitations can also be set for each of the accounts for better management by our customers. Further, the platform can analyse the data collected when our customers use our marketing templates and send them to their end-customers. The platform can provide our customers with an analysis of these data in the form of charts or graphs and enable our customers to more accurately and effectively select the marketing templates on our platform for their future use.

### *Sales Channel*

We generate sales of our SaaS interactive marketing services through (i) our own direct sales force; and (ii) SaaS agents. Our own direct sales force consists of our own marketing and sales employees and generally focuses on key and larger size customers. In addition, our own direct sales force also contracts with third party advertising companies which assist large size companies with their marketing and promotion of brands or products. For small and medium size customers, we generally engage our SaaS agents to market and promote our SaaS interactive marketing services. As at 30 April 2022, we had three SaaS agents. Revenue generated from our SaaS interactive marketing services through our SaaS agents accounted for approximately 3.0% of our total revenue from our SaaS interactive marketing services segment for 4M2022.

We employ SaaS agents for the marketing and sales of our SaaS interactive marketing services, where we open a SaaS agent account on our Content Engine for each of our SaaS agents and they can set up standard user accounts for their users. They are responsible for receiving orders and collecting payments from the users. Our SaaS agents assist us to market and promote our SaaS interactive marketing services to users. We select SaaS agents who have industry expertise and relationships with a broad range of users. Our SaaS agents may present themselves as agents of our Content Engine when marketing and selling our SaaS interactive marketing services to users. We do not enter into sales agreements with the users of our SaaS agents. The relationship between a SaaS agent and us is that of a buyer and seller relationship. Please refer to the paragraph headed “— Our Customers — General Contract Terms with Customers” in this section of this prospectus for further information. To the best of our knowledge, all of our SaaS agents are Independent Third Parties. It is a standard industry practice to engage SaaS agents to market and sell marketing and advertising SaaS products in return for commission in a progressive rate system depending on the revenue brought in by the SaaS agents within the relevant period in China. For each period of the Track Record Period, the commission we paid to our SaaS agents in relation to our SaaS interactive marketing services amounted to nil, nil, nil and RMB186,000.

As we regard our SaaS agents as our direct buyers, we recognise revenue generated from our SaaS agents for our SaaS interactive marketing services upon setting up and activating user accounts after deduction of the commission expenses paid or payable to such SaaS agents.

### *Upgrading of our SaaS Interactive Marketing Platform*

We intend to continuously upgrade our Content Engine platform to enhance its functions and utility. Below are some of our plans in improving our Content Engine platform:

- to continue to upgrade our platform with new versions to improve the user experience of our customers and their end-customers and to ensure the smooth running of the platform;
- to continue to enhance the intelligent algorithm recommendation on our platform through the use of AI technologies; and
- to upgrade our platform to become an open platform, enabling third-party developers and designers to connect and access our open platform through standardised open API interface so they can make their interactive marketing templates available on our platform for use by our customers.

### **Digital Marketing**

Our digital marketing services typically involve directly marketing and advertising our customers' brands and products on various online media channels such as NetEase (網易), Toutiao (頭條), Weibo (微博), WeChat (微信) and Youku (優酷) by utilising KOLs and other means. Compared to our digital content marketing projects under our content marketing segment, our digital marketing projects offer one-to-one marketing services to a customer according to its specific online marketing needs and provide targeted exclusive marketing solutions to a customer. Our primary responsibilities and services for digital marketing projects include:

- providing strategic advertisements placement strategies and plans (such as advice on selection of appropriate channels and target audience);
- providing design of creative advertising contents and materials;
- producing or engaging third party service providers to produce the advertising contents and materials catered to the needs of our customers;
- managing and coordinating with other parties involved in the project;
- procuring online media channels;
- assisting our customers in placing of advertisements on the selected online media channels; and
- evaluating the effects of the advertisements.



As at the Latest Practicable Date, we had a cooperation arrangement with NetEase (網易). Under the arrangement, we pay a fixed fee periodically in exchange for the rights to sell certain advertising resources in Xiamen city and Zhangzhou city in the PRC to our customers. We are responsible for maintaining adequate contents on the channel in those areas where we have acquired the rights. As advised by Frost & Sullivan, our cooperation arrangement with NetEase (網易) is in line with industry norm. Save as the cooperation with this media channel, we did not enter into any other similar exclusive advertising channel agency agreement with other media channels during the Track Record Period. For details, please refer to the paragraph headed “— Our Suppliers” in this section of this prospectus.

The project duration of our digital marketing projects under the cooperation arrangement with NetEase (網易) generally lasts for 12 months, while project duration for the remaining digital marketing projects typically range from within one month to 12 months. We recognise revenue from digital marketing services over the period during which the related services are rendered while the customer simultaneously receives and consumes the benefits provided by us.

For each period of the Track Record Period, we had 60, 54, 51 and 13 customers in relation to our digital marketing projects, respectively, and we had 68, 73, 70 and 17 digital marketing projects, respectively.

Below are some of our representative digital marketing projects:

**Joeone First Trousers Show at Paris Fashion Week\* (九牧王百年巴黎時裝週首場褲秀)**

九牧王百年巴黎時裝週首場褲秀  
北京时间 2021年6月24日 15:00

新浪微博 weibo.com

九牧王百年巴黎時裝週首場褲秀

2022春夏系列发布

北京时间6月24日 15:00

话题: #九牧王百年巴黎時裝週首場褲秀#

微博话题 #九牧王百年巴黎時裝週首場褲秀# 打造

直播

活动直播

新浪微博 weibo.com

时尚KOL投放

公众号内容输出

打造#九牧王百年巴黎時裝週首場褲秀#，以微博为首发一线平台，通过微博、微信、小红书、时尚媒体、PR媒体、KOL时尚穿搭达人等全网传播媒体矩阵，输出优质图文、视频内容，着力于C端扩大事件影响力，传递品牌专业优势、强化消费者品牌认知，为品牌打造事件曝光与大众口碑。

*Project Description:* Collaborating with Paris Fashion Week, this project aims to promote our customer’s 2022 spring and summer series through fashion KOLs to enhance our customer’s brand reputation.



Little Raccoon Live Streaming Marketing\* (小浣熊新媒體直播營銷)



*Project Description:* Engaging celebrities to conduct live streaming marketing on TikTok to promote our customer's products.

361 Degree IP Joint New Media Marketing\* (361度IP聯名新媒體營銷)



*Project Description:* An online promotional campaign in which our customer collaborated with a popular IP.

## HongXing Erke Crossover Products Marketing\* (鴻星爾克聯名產品營銷)



*Project Description:* An online promotional campaign in which HongXing Erke collaborated with an anime IP.

### Public Relations Event Planning

Our public relations event planning services provide one-to-one exclusive marketing solutions to customers targeting for their specific offline marketing and promotion needs involving hosting and execution of events for our customers. The services typically involve event planning, event promotion, event set up and hosting, as well as overall event management for our customers. Some of the events we have successfully organised for our customers include product launches, festival celebrations, annual meetings, and trade fairs. Our public relations event planning project is differentiated from our event content marketing project mainly in its exclusivity and one-to-one nature of the services provided to the customers.

For our public relations event planning services, we are generally responsible for running the whole event which may include: proposing creative and interactive themes for the event, formulating detailed work plans, promoting the event, coordinating with parties involved in the event, procuring supplies such as venue rental and decoration supplies, engaging third party service providers to assist with setting up the event venue, fine-tuning the work plans and overseeing and managing the smooth running of the whole event.

For each year/period during the Track Record Period, approximately 11.0%, 12.8%, 7.2% and 2.7% of our total revenue, respectively, was attributable to public relations event planning. For the same periods, the number of our public relations event planning projects was 56, 58, 47 and 14, respectively, and we had 34, 36, 36 and eight customers, respectively.

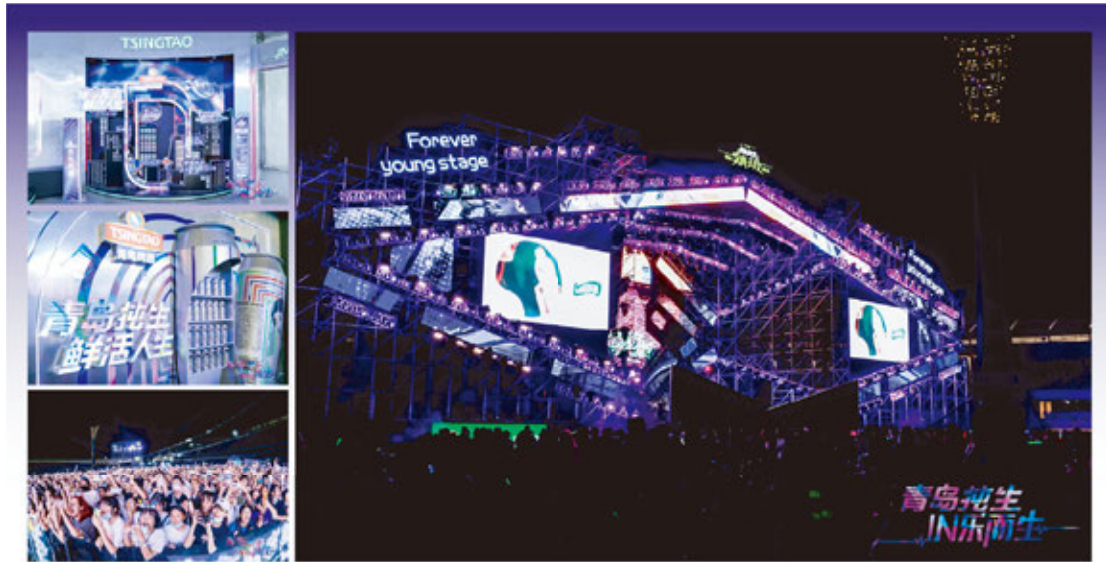
The project duration of our public relations event planning projects typically range from within one to 12 months.

## BUSINESS

We recognise revenue from public relations events planning services over the period during which the related services are rendered when the customer simultaneously receives and consumes the benefits provided by us.

Below are some of our representative public relations event planning projects:

### **Tsingtao IN Music Pop-Up Booths\* (青島純生IN樂而生)**



*Project Description:* Pop-up booths and events held in various malls and outdoor areas in China to display our customers' brand and for them to interact with their end-customers.



The Mixc New Year's Eve Electronic Music Party\* (華潤萬象城跨年電音派對)



*Project Description:* A New Year's eve electronic music festival held at a mall in Xiamen to promote the brand of a real estate customer.

Douyin Pop-up Booth City Life Festival in Xiamen\* (抖in廈門登鷺計劃—城市美好生活節)



*Project Description:* Pop-up booth and events held in Xiamen where KOLs were invited to attend to promote our customer's digital media platform.

Rookie Fall Winter New Collection Release\* (Rookie 秋冬新品發佈會)



*Project Description:* We assisted our customer with a stage event with focus on sports and fashion.

Jeep 2021 Fall Winter New Collection Release\* (JEEP 2021 秋冬新品發佈會)





*Project Description:* We assisted our customer to organise their fall winter new collection release.

### Media Advertising

Our media advertising services also offers one-to-one exclusive targeted marketing solutions to our customer in one single project by providing media planning services and placement of advertisements on traditional advertising channels. We formulate advertising strategies and advertisement placement plans, design advertising content and materials, produce or engage third party service providers to produce the advertising contents and materials, procure traditional advertising channels such as television and outdoor public advertising resources including, among others, buses and trains, elevators, and public transport stations, and coordinate placement of advertisements on these traditional advertising channels.

For each year/period during the Track Record Period, approximately 9.2%, 5.8%, 11.7% and 16.3% of our total revenue, respectively, was attributable to media advertising. For the same periods, the number of projects of our media advertising projects was 15, 21, 29 and nine, and we had five, three, nine and six customers, respectively.

The project duration of our media marketing projects typically ranges from within one month to 12 months. We recognise revenue from media advertising services over the period during which the related services are rendered when the customer simultaneously receives and consumes the benefits provided by us.

Below is one of our representative media advertising projects:



*Project Description:* Media advertising for a customer on self pick up locker cabinet walls

The following table summarises our primary responsibilities and services, main marketing channels, major income sources, range of service fees, major types of expenses, examples of main customers and main types of suppliers of the different types of our services offerings:

	Content Marketing	SaaS Interactive Marketing	Digital Marketing	Public Relations Event Planning	Media Advertising
<b>Primary responsibilities and services</b>	<ul style="list-style-type: none"> <li>Implementing marketing campaign of our customers through sponsorship of events utilising IP contents</li> <li>Assisting our customers to plan, design and produce interactive contents and marketing materials</li> <li>Cooperating with online and traditional advertising channels to promote the events and our customers sponsorships in the events</li> <li>Providing project execution and operation services to IP contents owners and/or operators</li> <li>Hosting and operating events</li> <li>Launching online videos</li> </ul>	<ul style="list-style-type: none"> <li>Providing interactive creative management tools</li> <li>Recommending suitable templates through our algorithm recommendation</li> <li>Providing operational data management</li> </ul>	<ul style="list-style-type: none"> <li>Providing advertising strategies and advertisement placement plans</li> <li>Designing advertising contents and materials</li> <li>Producing or engaging third party service providers to produce the advertising materials</li> <li>Procuring online channels and placing of advertisements</li> <li>Overseeing the implementation of advertisement plan</li> <li>Evaluating the effects of the advertisements</li> </ul>	<ul style="list-style-type: none"> <li>Providing event planning services</li> <li>Formulating master schedule and detailed work plans</li> <li>Promoting the events</li> <li>Coordinating with parties involved in the events</li> <li>Procuring supplies and engaging third parties service providers if necessary according to work plans</li> <li>Fine-tuning work plans</li> <li>Overseeing and managing the events</li> </ul>	<ul style="list-style-type: none"> <li>Providing advertising strategies and advertisement placement plans</li> <li>Designing advertising contents and materials</li> <li>Producing or engaging third party service providers to produce the advertising materials</li> <li>Procuring traditional advertising channels and placing of advertisements</li> <li>Overseeing the implementation of advertisement plan</li> </ul>
<b>Main Marketing Channels</b>	<ul style="list-style-type: none"> <li>Online media channel</li> <li>Traditional advertising channels</li> <li>Offline events</li> </ul>	<ul style="list-style-type: none"> <li>Online media channel</li> <li>Screens in offline stores</li> </ul>		<ul style="list-style-type: none"> <li>Offline events</li> </ul>	<ul style="list-style-type: none"> <li>Traditional advertising channels</li> </ul>



## BUSINESS

Major Income Sources	Content Marketing	SaaS Interactive Marketing	Digital Marketing	Public Relations Event Planning	Media Advertising
<p><b>Major Income Sources</b></p> <ul style="list-style-type: none"> <li>• Sponsorship fees</li> </ul>	<p><b>Content Marketing</b></p> <ul style="list-style-type: none"> <li>• Subscription fees and specialised and customisation product fees</li> </ul>	<p><b>SaaS Interactive Marketing</b></p> <ul style="list-style-type: none"> <li>• Subscription fees and specialised and customisation product fees</li> </ul>	<p><b>Digital Marketing</b></p> <ul style="list-style-type: none"> <li>• Advertising service fees</li> </ul>	<p><b>Public Relations Event Planning</b></p> <ul style="list-style-type: none"> <li>• Event planning service fees</li> </ul>	<p><b>Media Advertising</b></p> <ul style="list-style-type: none"> <li>• Advertising service fees</li> </ul>
<p><b>Range of service fees</b></p> <p>From RMB280,000 to RMB26 million per project</p>	<p>From RMB280,000 to RMB26 million per project</p> <p>(i) Subscription basis: A three-tier subscription plan of RMB3,500, RMB8,888 and RMB25,888;</p> <p>(ii) Customised project basis: From RMB20,000 to RMB150,000</p>	<p>From RMB1,100 to RMB16 million per project</p>	<p>From RMB8,600 to RMB5 million per project</p>	<p>From RMB150,000 to RMB12 million per project</p>	
<p><b>Major Types of Expenses</b></p> <ul style="list-style-type: none"> <li>• Media advertising resources costs</li> <li>• Production costs</li> </ul>	<p><b>Technical service expenses</b></p> <ul style="list-style-type: none"> <li>• Media advertising resources costs</li> <li>• Production costs</li> <li>• Equipment rental costs</li> </ul>	<p><b>Media advertising resources costs</b></p> <ul style="list-style-type: none"> <li>• Production costs</li> <li>• Equipment rental costs</li> </ul>	<p><b>Media advertising resources costs</b></p> <ul style="list-style-type: none"> <li>• Production costs</li> <li>• Equipment rental costs</li> </ul>	<p><b>Media advertising resources costs</b></p> <ul style="list-style-type: none"> <li>• Production costs</li> <li>• Equipment rental costs</li> </ul>	<p><b>Media advertising resources costs</b></p> <ul style="list-style-type: none"> <li>• Production costs</li> <li>• Equipment rental costs</li> </ul>
<p><b>Examples of Main Customers</b></p> <p>HongXing Erke* (鴻星爾克) Panpan* (盼盼) Hanhoo (韓后) Hengan* (恒安) Gold Crown* (金冠) Labixiaoxin Snacks* (樂華小新 休閒食品)</p>	<p>HongXing Erke* (鴻星爾克) Panpan* (盼盼) Hanhoo (韓后) Hengan* (恒安) Gold Crown* (金冠) Labixiaoxin Snacks* (樂華小新 休閒食品)</p>	<p>HongXing Erke* (鴻星爾克) Panpan* (盼盼)</p>	<p>Joeone Little Raccoon 361 Degree HongXing Erke* (鴻星爾克)</p>	<p>Tsingtao Douyin Rookie Jeep</p>	<p>Watsons</p>
<p><b>Major Types of Suppliers</b></p> <ul style="list-style-type: none"> <li>• IP content provider</li> <li>• Media advertising suppliers</li> <li>• Suppliers providing performance services</li> <li>• Suppliers of materials and props</li> </ul>	<p>• IP content provider</p> <p>• Media advertising suppliers</p> <p>• Suppliers providing performance services</p> <p>• Suppliers of materials and props</p>	<p>• Suppliers of technical services</p> <p>• Suppliers of content</p>	<p>• Media advertising suppliers</p> <p>• Suppliers providing production services</p>	<p>• Suppliers of materials and props</p> <p>• Talent agent</p>	<p>• Media advertising suppliers</p>

## OUR OPERATION PROCESS

### Content Marketing

The project cycle for a typical content marketing project typically ranges from within one month to 10 months. The diagram below illustrates the key steps typically undertaken by us in content marketing projects:



### *Identification of Target Consumer Groups of our Customers and Selection or Design of IP Contents*

We conduct market research to identify the target consumer groups of our customers and conduct analysis of the relevant consumer groups to identify their preferences and demand. We also conduct market analysis to look for potential market fragments for opportunities to develop new content marketing projects. For example, from our market research, we identified that children aged three to six and their parents to be the target consumer group of some of our sports brand customers. We then conducted further research on the market and found there was a general lack of sports marketing events which focus on this consumer group. As such, we developed our self owned IP content, namely ABC Kids Planet Race\* (小馬星球), and successfully launched several content marketing projects utilising such IP content to capture the marketing opportunities in children's sports market.

Once we have identified the preferences and demands of the targeted consumer groups of our customers, we would look into existing IP resources in the market to source suitable IP contents or our design team will begin developing and designing our own IP contents for the projects. When sourcing for IP contents, we generally consider a variety of factors such as popularity of the IP contents, the expected number of participants at the events, and the exposure of the projects. Prior to approaching our customers for pitching of the sponsorship proposals, we would conduct preliminary discussion with the selected IP owners or operators to explore potential business cooperation opportunities with them.

Due to our project planning, design, operation and execution capabilities, IP contents providers may approach us to assist them to commercialise their IP contents through content marketing projects. We will review the IP contents and/or projects in detail and if we believe there are good marketing potentials, we will prepare sponsorship proposals for pitching to our customers.

We conduct assessment on our content marketing projects when preparing sponsorship proposals for pitching to our customers. In our assessment, we would consider various factors such as expected number of participants to attend the events, the popularity of the IP contents, the location of the events, the form, duration and cost of online advertisements, the online channel to be used for the advertisements, the location which the online advertisements are targeted and the cost of acquisition of the marketing rights of the projects (for third party IP content marketing projects) or the cost of development of our IP contents (for self owned IP content marketing projects). We also would refer to other similar projects with similar scale in the industry and our past experience in similar projects. From our assessment of the projects, we then formulate the sponsorship proposals for the different tiers of sponsorship for the projects.

### *Pitching our Customers and Negotiation of Sponsorship Proposals*

After selection of third party owned IP contents or development of our self owned IP contents for the relevant projects, we will approach a number of our selected customers and provide them with sponsorship proposals and negotiate with them on the terms of sponsorship. From the feedbacks from our customers, we continue to revise and optimise the sponsorship proposals to better suit our customers' needs. If we have received sufficient indication of interest from our customers, we will then proceed to acquire the marketing rights for third party IP content marketing projects or to further develop our self owned IP content marketing projects tailored to the needs of our customers. If the responses from our customers are not satisfactory, the projects will be terminated at the initial stage.

### *Acquiring Marketing Rights for Third Party IP Content Marketing Projects and Execution of Sponsorship Agreements with our Customers*

For third party IP content marketing projects, we will discuss with the third party IP contents owners or operators the requests of our customers and further negotiate with the third party IP contents owners or operators in obtaining the marketing rights to the projects. If we are able to successfully acquire the marketing rights, we will conduct further business negotiations with our customers who have indicated their interests in the projects during our pitching and execute sponsorship agreements with them for the projects.

### *Designing and Creating Marketing Contents and Materials and Promoting the Projects*

After executing sponsorship agreements with our customers for the projects, we will design and create the marketing contents and materials, and incorporate our customers' brands into the marketing contents and materials according to the entitlements attached to their acquired sponsorship plans. In some cases, we are only responsible for ensuring our customers' brands being integrated and incorporated in the marketing content materials in accordance with the sponsoring entitlements that they have acquired. We will further optimise and improve the marketing contents and materials through ongoing discussion and communication with our customers to ensure those would meet their expectations. After the production of the marketing contents and materials, we will begin promoting the projects on various channels in many different forms such as pictures, press releases, posters, videos, H5 and feature pages.

### *Implementation of Sponsorship Entitlements and Hosting of Events and/or Launching of Online Videos*

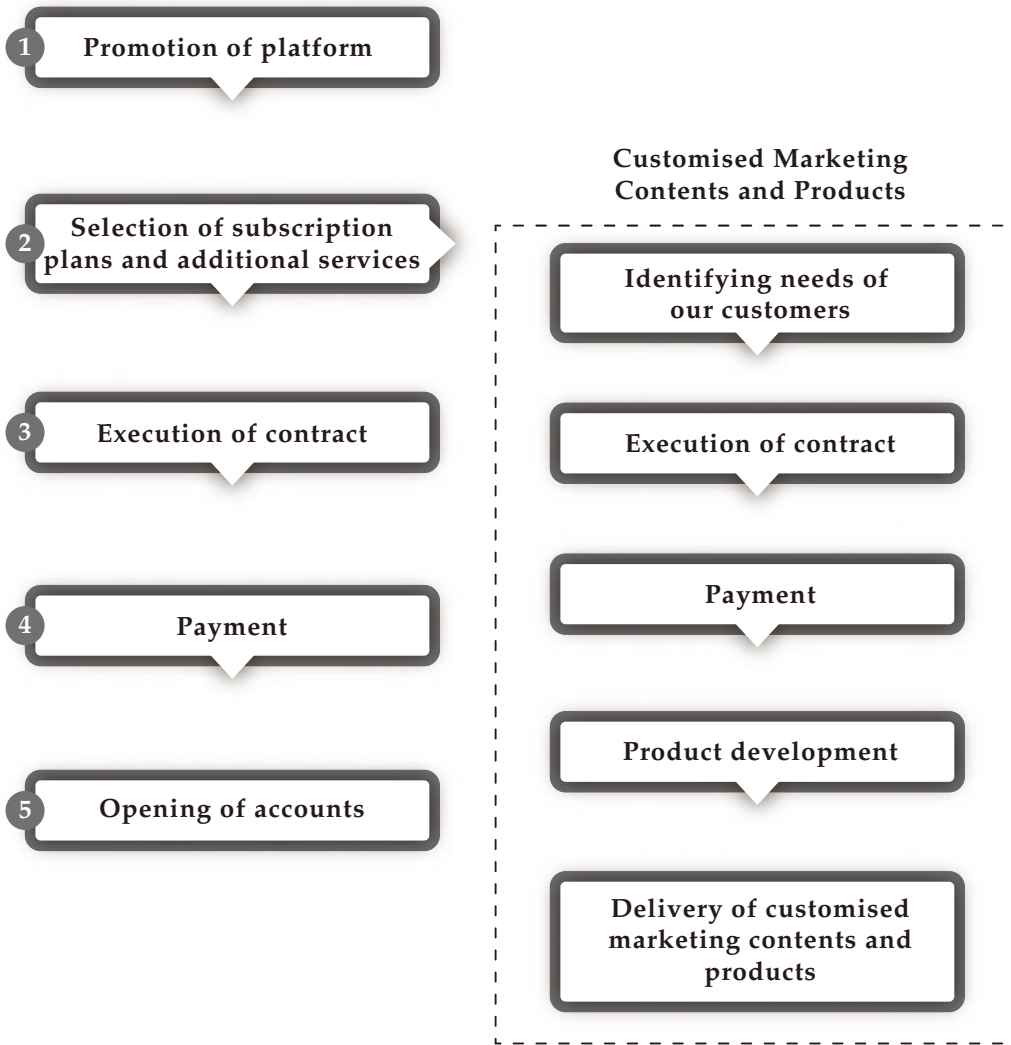
We conduct advertising on online and/or traditional advertising channels for our content marketing projects and are responsible for ensuring the brands of our customers are incorporated in the marketing contents according to their sponsorship plans. For event content marketing projects, we generally would be responsible for venue set up, participants invitation and management, hosting of the events and overall management of the events. In respect of hosting of the events, we generally engage third party suppliers and contractors to assist with the projects but we are responsible for overseeing the implementation of the events by these suppliers and contractors. For digital content marketing projects, we generally would be responsible for creating or engaging third party to create online videos and the launching of the videos.

### *Project Reports*

We record the whole process of the project including the activities and particulars at the event to online marketing contents and dissemination. We prepare project reports to our customers with details of the implementation of their sponsorship entitlements according to the sponsorship agreements, as well as details of the results of the events (such as number of participants attended the events and total online exposures).

**SaaS Interactive Marketing**

Below diagram illustrates the key steps typically involved in our SaaS interactive marketing services:



**Promotion of Platform**

We promote our Content Engine platform to our customers through our own direct sales force and SaaS agents. For promotion through our own direct sales force, after our prospective customers have expressed an interest in our platform, we would follow up with them or through their designated advertising companies to solicit them to subscribe to our platform. For promotion through our SaaS agents, they are responsible for following up with the users and soliciting them to subscribe to our platform.

### *Execution of Contract and Subscription*

If our prospective customers agreed to subscribe to our platform, we will execute a customers contract with them. They are required to make prepayments to top up their accounts which will be used to settle the subscription fees and any additional fees for additional services on our Content Engine platform. For our arrangement with SaaS agents, please refer to the paragraphs headed “Business — Our Integrated Marketing Solutions — SaaS Interactive Marketing — Sales Channel” and “Business — Our Customers — General Contract Terms with Customers” in this section of this prospectus for further information.

### *Usage of Platform and Customisation*

After having subscribed to our platform, they can create an account and start using the interactive marketing templates and other marketing tools available on our platform for their specific marketing needs. We can also provide customised marketing contents and materials to our customers for additional fees. They can provide us with their requests and we will then develop the products according to their specifications. They will be granted exclusive use of the customised marketing contents and materials for a period of time and upon the expiration of the exclusive period, the marketing contents and materials will be released on our Content Engine platform.

For our SaaS agents, we would open a SaaS agent account on our Content Engine for each of them and they can set up standard user accounts for each of their users. After the standard user accounts are set up, the users can utilise our Content Engine platform in a similar manner as our other SaaS interactive marketing services customers we acquired through our direct sales force depending on the subscription plan subscribed by the users.



**Digital Marketing, Public Relations Event Planning and Media Advertising**

As set out in the below diagram, our operation process for digital marketing, public relations event planning and media advertising projects can be largely divided into three phases: (i) pitching, (ii) execution and (iii) project reports and customer relationship management.



***Pitching***

Generally speaking, the pitching phase refers to the period when we prepare a presentation to the prospective customers until we are engaged by them for our tailor-made marketing solutions. The process typically involves (i) reviewing the project requirements from the prospective customers; (ii) conducting market research and formulating competitive marketing solution proposals and fee quotations; and (iii) presenting our proposals and fee quotations to the prospective customers through tender or business negotiation.

## BUSINESS

When we prepare proposals and/or quotations for prospective customers, we typically take into consideration of the requests and key performance indicators provided by them in their project requirements documents. Our senior management will evaluate the prospective projects and assign suitable staff to form a designated team for each project. In evaluating the projects, we generally consider, among other factors, the following: (i) purpose of the projects; (ii) customers' expectation; (iii) the nature and scale of the projects and technical specifications; (iv) the availability of our resources; and (v) special difficulties of the projects.

After our internal assessment and evaluation of the projects, our project team will then arrange for the formulation of marketing solutions proposals. Normally, the formulation process will involve, among others, (i) researching on similar projects; (ii) seeking our suppliers feedback regarding their capacity and obtaining fee quotations; (iii) obtaining feedback from prospective customers and understanding of their preferences; (iv) producing designs and drawings for our prospective customers' review; and (v) preparing the advertising plan or public relations event plan.

Based on the preliminary fee quotations provided by our suppliers and our estimation on our cost to be incurred, our project team will prepare a fee quotation in accordance with our cost-plus pricing policy for approval by our management. For details of our Group's pricing strategies, please refer to the paragraph headed "— Pricing Strategies" in this section of this prospectus.

We may submit our marketing solutions proposals by tender or by direct business negotiation with our prospective customers depending on the their requirements. Upon submission of our marketing solutions proposals, we may receive additional queries on various aspects from our prospective customers. The project team will prepare responses to such queries and modify the marketing solutions. If our marketing solutions proposals are selected, we would proceed to enter into agreements with our prospective customers.

### *Execution*

Generally speaking, the execution phase refers to the period when we carry out the scope of work contained in the agreements. For public relations event planning, execution phase comprises of the preparation and the hosting of the event. For digital marketing and media advertising, execution phase comprises of the designing of the advertising contents and materials, placing of the advertisements and the launching of the advertisements on online channels or traditional advertising channels. Set out below are some features of our operation process in the execution phase for public relations event planning projects and digital marketing and media advertising projects.

#### *Public Relations Event Planning Projects*

Our project team will prepare a master schedule setting out key project milestone dates for the purpose of monitoring the project implementation and devising detailed and actionable plans on various aspects of the works to be carried out. We will generally assist in selection and design of the venue and will provide draft designs for our customers' review and approval. As part of our work scope, we are generally responsible for liaising

with various parties of the projects including, among others, the contractors for venue set up services, performance services, and media services and the suppliers of event materials and venue such as props, equipment rentals, and venue rental. Our project team is also responsible for the management and coordination of the overall implementation of the projects. We will monitor the workmanship, quality and safety of the on-site activities of contractors to ensure that the site works are in accordance with the design specifications and the master schedule.

On the day of event, we will assist our customers to launch the event. Our project team will closely monitor the events so that they are carried out as planned. Our project team will be in charge of, among others, the overall event logistics, deciding on contingency changes, internal and external communication and personnel management, stage supervision and handling external guests' requests.

*Digital Marketing and Media Advertising Projects*

Based on the scope of work agreed with our customers, we may design the advertising contents and materials such as graphics and videos in accordance with our customers' requirements for their consideration. They may provide feedback on the advertising contents and materials and we will try to accommodate their requests and modify the design of the advertising contents and materials. Depending on the complexity of the advertising contents and materials, we may produce or may engage third party service providers to produce the advertising contents and materials.

After the advertising contents and materials have been produced, we will assist our customers to place the advertisements to the online advertising channels or the agents of the relevant online or traditional advertising channels in accordance with the agreements with our customers. For digital marketing projects, we typically assist our customers to place the advertisements on online social media platforms, video platforms, and other online channels. For media advertising projects, we typically assist our customers to place the advertisements on traditional advertising channels such as television and outdoor public advertising resources (such as buses and trains, elevators, and public transport stations).

*Project Reports and Customer Relationship Management*

After completion of the event or publication of the advertisements, we will prepare a report for our customers which may record and feature the event highlights and details of the advertisement placement and certain data (such as the total exposure of the online advertisements and rate of clicks of the advertisements). We may also provide further follow up marketing and advertising strategic advice to our customers through analysis of those data.

We value our customers' feedback and their project experience with us. During the course of the projects, our project team is responsible for the day-to-day relationship management with our customers and will address their requests and concerns as required. We also send project completion confirmation to our customers for them to confirm all the services stipulated in the relevant agreements have been completed.

## BUSINESS

### OUR PROJECTS

#### Summary of Top 10 Projects

The following table sets out details of our top 10 projects in terms of revenue in each of the respective period during the Track Record Period.

2019

Ranking	Type of services we provided in the project	Number of customers (in case of content marketing projects)	Project brief description	Number of days of event (in case of content marketing projects)	Approximate number of participants (in case of event content marketing projects) <sup>(1)</sup>	Approximate average number of participants per day of event (in case of event content marketing projects)	Approximate number of views (in case of content marketing projects) <sup>(2)</sup> ('000)	Date of event (in case of event content marketing projects)	Revenue recognised for 2019 (RMB'000)	Total cost incurred for 2019 (RMB'000)	Gross profit margin %
1	Content marketing	14	Children sports event	8	81,000	10,000	208,000	June – December 2019	23,060	13,915	39.7
2	Content marketing	4	Music festival	2	40,000	20,000	853,000	December 2019	18,113	12,316	32.0
3	Content marketing	7	Fashion show	4	80,000	20,000	371,000	December 2019	17,287	10,736	37.9
4	Content marketing	4	Fashion show	3	30,000	10,000	135,000	March 2019	14,623	8,986	38.5
5	Content marketing	3	Street dancing competition	8	70,000	8,800	154,000	May – June 2019	14,151	10,118	28.5

## BUSINESS

Ranking	Type of services we provided in the project	Number of customers (in case of content marketing projects)	Project brief description	Number of days of event (in case of content marketing projects)	Number of event content marketing projects <sup>(1)</sup>	Approximate number of total participants (in case of event content marketing projects)	Approximate average number of participants per day of event (in case of event content marketing projects)	Approximate number of views (in case of content marketing projects) <sup>(2)</sup> ('000)	Date of event (in case of event content marketing projects)	Revenue recognised for 2019 (RMB'000)	Total cost incurred for 2019 (RMB'000)	Gross profit margin %
6	Content marketing	5	Fashion show	6	60,000	10,000	472,000	September 2019	14,125	9,796	30.6	
7	Content marketing	3	Street dancing competition	10	70,000	7,000	151,000	October – November 2019	13,208	9,047	31.5	
8	Media advertising	N/A	Escalator advertising	N/A	N/A	N/A	N/A	N/A	11,356	10,466	7.8	
9	Content marketing	3	Music festival	11	72,000	6,500	140,000	October – December 2019	9,906	6,611	33.3	
10	Content marketing	3	Marathon	1	61,000	61,000	425,000	December 2019	9,906	5,828	41.2	

*Notes:*

- (1) Number of participants of event content marketing projects includes the number of participants who attended the event and number of public traffic reached or exposed (in case of an outdoor event) at the time of the event hosted. The methodology used in counting the number of participants are in line with market practice. We engaged external third party company to assist with the collection of such data and the number of participants in the table is with reference to the data provided by such third party company.
- (2) The number of views is gathered based on the rate of exposures from multimedia placement for the particular content marketing project. We engaged external third party company to assist with the collection of views of our content marketing projects and the number of views in the table is with reference to the data provided by such third party company.

## BUSINESS

2020

Ranking	Type of services we provided in the project	Number of customers (in case of marketing projects)	Project brief description	Number of days of event (in case of content marketing projects)	Number of participants (in case of event marketing projects) <sup>(1)</sup>	Approximate average number of participants per day of event (in case of content marketing projects)	Approximate number of views (in case of content marketing projects) <sup>(2)</sup> ('000)	Date of event (in case of event marketing projects)	Revenue recognised for 2020 (RMB'000)	Total cost incurred for 2020 (RMB'000)	Gross profit margin %
1	Content marketing	4	Children sports event	14	91,000	6,500	249,000	November – December 2020	16,745	14,946	10.7 <sup>(3)</sup>
2	Digital marketing	N/A	Digital media advertising	N/A	N/A	N/A	N/A	N/A	15,387	15,428	-0.3 <sup>(4)</sup>
3	Content marketing	7	Music festival	1	5,000	5,000	366,000	June 2020	14,340	9,383	34.6
4	Content marketing	3	Xiamen city marketing campaign	1	3,000	3,000	414,000	July 2020	13,019	8,805	32.4
5	Content marketing	6	Fashion show	4	60,000	15,000	224,000	August – September 2020	12,292	9,055	26.3



## BUSINESS

Ranking	Type of services we provided in the project	Number of customers (in case of content marketing projects)	Project brief description	Number of days of event (in case of content marketing projects)	Number of participants (in case of event content marketing projects) <sup>(1)</sup>	Approximate number of participants per day of event (in case of content marketing projects) <sup>(2)</sup>	Date of event (in case of event content marketing projects)	Revenue recognised for 2020 (RMB'000)	Total cost incurred for 2020 (RMB'000)	Gross profit margin %
6	Content marketing	5	Street dancing competition	6	20,000	3,300	June – December 2020	12,075	7,983	33.9
7	Content marketing	7	Fashion show	4	80,000	20,000	December 2020	10,981	11,481	-4.5 <sup>(5)</sup>
8	Content marketing	4	Hip Hop festival	24	48,000	2,000	June – December 2020	9,292	6,228	33.0
9	Content marketing	4	Children event	8	71,000	8,900	July 2020 – July 2021 <sup>(6)</sup>	8,770	6,683	23.8
10	Content marketing	3	Marathon	1	30,000	30,000	December 2020	8,396	5,625	33.0

**Notes:**

- (1) Number of participants of event content marketing projects includes the number of participants who attended the event and number of public traffic reached or exposed (in case of an outdoor event) at the time of the event hosted. The methodology used in counting the number of participants are in line with market practice. We engaged external third party company to assist with the collection of such data and the number of participants in the table is with reference to the data provided by such third party company.

- (2) The number of views is gathered based on the rate of exposures from multimedia placement for the particular content marketing project. We engaged external third party company to assist with the collection of views of our content marketing projects and the number of views in the table is with reference to the data provided by such third party company.
- (3) Project 1 for 2020 recorded a lower gross profit margin of 10.7%. It was mainly because the project relied primarily on offline events, and two of our sponsoring customers decided not to proceed with the sponsorship of the project after we have incurred certain costs in the project as planned.
- (4) Project 2 for 2020 recorded a negative gross profit margin of -0.3%, as we entered into a one year cooperation agreement with a leading online media company in 2020 where we would receive greater discounts when we met the agreed sales target and we sold the advertisement resources of such online media channel to customer for Project 2. However, as the demand for this media channel from our customers was below expectation, we did not enjoy the discount we anticipated and thereby led to a gross loss in Project 2.
- (5) Project 7 for 2020 recorded a negative gross profit margin of -4.5%. It was mainly because the project relied primarily on offline events, and two of our sponsoring customers decided not to proceed with the sponsorship of the project after we have incurred certain costs in the project as planned.
- (6) Project 9 for 2020 had a total of eight individual events. Seven of the eight individual events were held between July 2020 to January 2021, with the remaining one held in July 2021 as a result of delay due to COVID-19.

## BUSINESS

2021

Ranking	Type of services we provided in the project	Number of customers	Project brief description	Number of days of event (in case of content marketing projects)	Approximate number of participants (in case of event content marketing projects) <sup>(1)</sup>	Approximate average number of participants per day of event (in case of content marketing projects)	Approximate number of views of content marketing projects <sup>(2)</sup> ('000)	Date of event (in case of event content marketing projects)	Revenue recognised for 2021 (RMB'000)	Total cost incurred for 2021 (RMB'000)	Gross profit margin %
1	Content marketing	10	Children sports event	15	82,000	5,500	250,000	June - October 2021	24,104	15,226	36.8
2	Content marketing	4	Music festival	16 <sup>(3)</sup>	92,000	5,700	346,000	May - July 2021	19,245	12,512	35.0
3	Content marketing	4	Street dancing competition	9	21,000	2,300	247,000	October - December 2021	16,792	10,762	35.9
4	Content marketing	4	Concert	10	13,000	1,300	391,000	June - September 2021	15,849	10,701	32.5
5	Content marketing	5	Street dancing event	9	71,000	7,900	276,000	August - November 2021	13,962	9,542	31.7
6	Content marketing	4	Children online sports teaching event	N/A <sup>(4)</sup>	N/A <sup>(4)</sup>	N/A <sup>(4)</sup>	112,000	N/A <sup>(4)</sup>	11,415	7,712	32.4

## BUSINESS

Ranking	Type of services we provided in the project	Number of customers	Project brief description	Number of days of event (in case of content marketing projects)	Approximate number of participants (in case of event content marketing projects) <sup>(1)</sup>	Approximate number of participants per day of event (in case of content marketing projects)	Approximate number of views of content marketing projects <sup>(2)</sup> ('000)	Date of event (in case of event content marketing projects)	Revenue recognised for 2021 (RMB'000)	Total cost incurred for 2021 (RMB'000)	Gross profit margin %
7	Content marketing	4	Hip hop event	28	56,000	2,000	227,000	June – October 2021	11,038	7,188	34.9
8	Content marketing	4	Music festival	1	1,000	1,000	268,000	June 2021	9,245	6,124	33.8
9	Content marketing	3	Online dancing teaching event	N/A <sup>(4)</sup>	N/A <sup>(4)</sup>	N/A <sup>(4)</sup>	180,000	N/A <sup>(4)</sup>	9,198	6,001	34.8
10	Content marketing	4	Night running event	1	15,000	15,000	193,000	September 2021	8,915	5,931	33.5

*Notes:*

- (1) Number of participants of event content marketing projects includes the number of participants who attended the event and number of public traffic reached or exposed (in case of an outdoor event) at the time of the event hosted. The methodology used in counting the number of participants are in line with market practice. We engaged external third party company to assist with the collection of such data and the number of participants in the table is with reference to the data provided by such third party company.
- (2) The number of views is gathered based on the rate of exposures from multimedia placement for the particular content marketing project. We engaged external third party company to assist with the collection of views of our content marketing projects and the number of views in the table is with reference to the data provided by such third party company.
- (3) There were 16 individual offline events and one online streaming video for this project.
- (4) These were digital content marketing projects.

**BUSINESS**

4M2022

Ranking	Type of services we provided in the project	Number of customers	Project brief description	Number of days of event (in case of content marketing projects)	Number of participants (in case of event content marketing projects) <sup>(1)</sup>	Approximate average number of participants per day of event (in case of event content marketing projects)	Approximate number of views of content marketing projects <sup>(2)</sup> ('000)	Date of event (in case of event content marketing projects)	Revenue recognised for 4M2022 (RMB'000)	Total cost incurred for 4M2022 (RMB'000)	Gross profit margin %
1	Content marketing	4	Fashion show	6	71,000	12,000	151,000	December 2021 – January 2022	11,698	7,887	32.6
2	Content marketing	4	Fashion show	1	41,000	41,000	211,000	December 2021	10,283	6,853	33.4
3	Content marketing	3	Online dancing teaching event	N/A <sup>(3)</sup>	N/A <sup>(3)</sup>	N/A <sup>(3)</sup>	98,000	March – April 2022	9,198	6,024	34.5
4	Content marketing	4	Children kart racing event	2	10,000	5,000	219,000	January 2022	8,443	5,615	33.5
5	Content marketing	4	Children sports event	2	81,000	40,000	159,000	December 2021	8,302	5,943	28.4
6	Content marketing	4	Children online sports teaching event	N/A <sup>(3)</sup>	N/A <sup>(3)</sup>	N/A <sup>(3)</sup>	161,000	March 2022 to July 2022	8,113	5,496	32.3
7	Content marketing	3	Xiamen city marketing campaign	N/A <sup>(3)</sup>	N/A <sup>(3)</sup>	N/A <sup>(3)</sup>	151,000	N/A <sup>(3)</sup>	7,642	5,303	30.6

## BUSINESS

Ranking	Type of services we provided in the project	Number of customers	Project brief description	Number of days of event (in case of content marketing projects)	Number of event days of event (in case of content marketing projects) <sup>(1)</sup>	Approximate number of total participants (in case of event content marketing projects) <sup>(1)</sup>	Approximate average number of participants per day of event (in case of content marketing projects)	Approximate number of views of content marketing projects <sup>(2)</sup> ('000)	Date of event (in case of event content marketing projects)	Revenue recognised for 4M2022 (RMB'000)	Total cost incurred for 4M2022 (RMB'000)	Gross profit margin %
8	Content marketing	2	Online street dancing teaching event	N/A <sup>(3)</sup>	N/A <sup>(3)</sup>	N/A <sup>(3)</sup>	N/A <sup>(3)</sup>	91,000	N/A <sup>(3)</sup>	7,075	4,582	35.2
9	Content marketing	3	Online sports and exercise teaching event	N/A <sup>(3)</sup>	N/A <sup>(3)</sup>	N/A <sup>(3)</sup>	N/A <sup>(3)</sup>	109,000	N/A <sup>(3)</sup>	6,132	4,113	32.9
10	Content marketing	3	Animated film discussion forum	1	2,600	2,600	2,600	182,000	December 2021 – January 2022	5,660	3,728	34.1

*Notes:*

- (1) Number of participants of event content marketing projects includes the number of participants who attended the event and number of public traffic reached or exposed (in case of an outdoor event) at the time of the event hosted. The methodology used in counting the number of participants are in line with market practice. We engaged external third party company to assist with the collection of such data and the number of participants in the table is with reference to the data provided by such third party company.
- (2) The number of views is gathered based on the rate of exposures from multimedia placement for the particular content marketing project. We engaged external third party company to assist with the collection of views of our content marketing projects and the number of views in the table is with reference to the data provided by such third party company.
- (3) These were digital content marketing projects.



## BUSINESS

### Projects by Customers' Industry

The following table sets out a breakdown of revenue in terms of amount and as a percentage to our total revenue by our customers' industry during the Track Record Period:

Customer's industry	For the year ended 31 December				For the four months ended 30 April					
	2019		2020		2021		2022			
	Percentage to total revenue %	Number of contracts	Percentage to total revenue %	Number of contracts	Percentage to total revenue %	Number of contracts	Percentage to total revenue %	Number of contracts		
Revenue RMB'000	Gross profit RMB'000	Revenue RMB'000	Gross profit RMB'000	Revenue RMB'000	Gross profit RMB'000	Revenue RMB'000	Gross profit RMB'000	Revenue RMB'000	Gross profit RMB'000	
Fast moving consumer goods	170,807	32.1	144,519	46.9	178,579	27.1	68,433	47.6	20,880	30.5
Footwear and apparel	107,810	35.5	68,785	22.3	107,992	26.4	43,160	30.0	14,829	34.4
Real estate	43,423	31.7	41,750	13.5	48,866	27.6	17,307	12.0	5,649	32.6
Others <sup>(1)</sup>	68,998	32.4	53,223	17.3	17,863	10.9	14,907	10.4	4,735	31.8
<b>Total</b>	<b>391,038</b>	<b>33.1</b>	<b>308,377</b>	<b>100.0</b>	<b>353,300</b>	<b>24.2</b>	<b>143,807</b>	<b>100.0</b>	<b>46,093</b>	<b>32.1</b>

*Note:*

- (1) Includes but not limited to food & beverages, hotel, finance, medical, travel services, software, e-commerce, sports, tobacco and alcohol trade, insurance, and public institutions.

## BUSINESS

We had a total of one, nine, two and nil loss-making projects for 2019, 2020, 2021 and 4M2022, respectively. We had no loss-making project subsequent to the Track Record Period and up to the Latest Practicable Date.

The one loss-making project in 2019 was from digital marketing, which was primarily due to a higher cost incurred in order to enter into a cooperation with a well known online media channel; but the demand from our customers in promoting through such online media channel as reflected in the corresponding revenue recognised was much lower than estimated. Our total revenue and our total gross loss recognised for 2019 for our loss-making project in 2019 was RMB1.8 million and RMB25,000, respectively.

The nine loss-making projects in 2020 primarily consisted of (i) three content marketing projects and (ii) six digital marketing projects. The losses recorded on the three content marketing projects were primarily due to the various lockdown restrictions during COVID-19 outbreak in the PRC, which negatively affected our content marketing projects and resulted in the reduction of sponsorship from customers for the corresponding content marketing projects hosted while we incurred relevant costs as scheduled and planned. With respect to the six loss-making digital marketing projects in 2020, five of which related to the cooperation arrangement with the online media channel mentioned above. Although the expected demand from our customers in promoting through such online media channel in 2019 was lower than our initial estimation, we decided to continue our cooperation with them in 2020 given that the cooperation period with this channel was only for a short period of time in 2019 and this channel is a well-known and popular online media channel in the PRC and we wanted to thoroughly explore the cooperation with this channel in 2020. The other loss-making digital marketing project in 2019 was primarily due to the additional employee costs incurred for the operation of the relevant digital marketing project while the amount of revenue recognised was much lower than estimated. Our total revenue recognised for 2020 for our loss-making projects in 2020 was RMB36.6 million and our total gross loss recognised for 2020 for our loss-making projects in 2020 was RMB5.0 million, which was primarily attributable to our three loss-making content marketing projects which in aggregate accounted for approximately 98.5% of our total gross loss recognised for 2020 for our loss-making projects in 2020.

For 2021, we recorded two loss-making digital projects, one of which related to the cooperation arrangement with the online media channel mentioned above. Despite our efforts to step up the cooperation and to further promote this channel to our customers with greater discounts in order to attract more customers to use this channel, such channel continued to fall short of our expectation. We therefore decided to discontinue the cooperation with such online media channel in 2021 once our cooperation agreement with them expired. The other loss-making digital marketing project in 2021 was primarily due to a change in cooperation policy by the online media channel associated with this project, which attributed to a higher cost incurred for the project. Our total revenue and our total gross loss recognised for 2021 for our loss-making projects in 2021 was RMB4.1 million and RMB30,000, respectively.

## BUSINESS

We have put in place a number of project control measures to minimise the risk of loss-making from projects, including (i) discontinue the digital marketing contract in relation to the cooperation with the relevant online media channel; (ii) strengthen our contract management and provisions in our contracts, such as including prohibitive or penalty provisions in the contract in order to deter customers from cancelling the project; (iii) enhance our negotiation ability with other customers in order to achieve better terms; (iv) strengthen our operations and project management control in order to improve the revenue generated for each project; and (v) enhance our cost control measures where we will regularly review and manage the expected cost to be incurred for each project.

### Projects by project basis and subscription basis

The proportion of our revenue generated on a project basis accounted for approximately 100.0%, 100.0%, 97.0% and 99.6% for 2019, 2020, 2021 and 4M2022, respectively.

The proportion of our revenue generated on a subscription basis accounted for approximately nil, nil, 3.0% and 0.4% for 2019, 2020, 2021 and 4M2022, respectively.

The following table sets forth the breakdown of the total and outstanding contract sum by business service types for our marketing service business for the periods indicated:

	For the year ended 31 December			For the four months ended 30 April 2022	Since 1 May 2022 and up to the Latest Practicable Date
	2019	2020	2021	2022	Date
	<i>(RMB million)</i>				<i>(unaudited)</i>
<b>Outstanding aggregate contract sum at the beginning of the year/period</b>					
Content marketing	–	14.3	17.7	52.0	73.3
SaaS interactive marketing	–	–	–	3.2	6.4
Digital marketing	6.0	16.6	51.0	4.7	33.5
Public relations event planning	3.4	11.9	4.8	1.1	0.8
Media advertising	15.6	6.3	3.4	20.7	4.5
<b>Total</b>	<b>25.0</b>	<b>49.1</b>	<b>76.9</b>	<b>81.7</b>	<b>118.5</b>

## BUSINESS

	For the year ended 31 December			For the four months ended 30 April 2022	Since 1 May 2022 and up to the Latest Practicable Date
	2019	2020	2021		
	<i>(RMB million)</i>				<i>(unaudited)</i>
<b>Add: Net contract sum of contracts awarded/terminated during the year/period</b>					
Content marketing	263.5	181.4	222.5	103.8	83.0
SaaS interactive marketing	–	–	13.8	12.2	29.4
Digital marketing	73.6	107.5	41.6	53.8	41.0
Public relations event planning	51.4	32.3	21.7	3.5	11.1
Media advertising	26.7	14.9	58.5	7.3	9.8
	<u>415.2</u>	<u>336.1</u>	<u>358.1</u>	<u>180.6</u>	<u>174.3</u>
<b>Total</b>					
<b>Less: Revenue recognised during the year/period</b>					
Content marketing	249.2	178.0	188.2	82.5	89.7
SaaS interactive marketing	–	–	10.6	9.0	19.4
Digital marketing	63.0	73.1	87.9	25.0	49.0
Public relations event planning	42.9	39.4	25.4	3.8	5.3
Media advertising	36.0	17.8	41.2	23.5	6.7
	<u>391.1</u>	<u>308.3</u>	<u>353.3</u>	<u>143.8</u>	<u>170.1</u>
<b>Total</b>					
<b>Outstanding aggregate contract sum at the end of the year/period</b>					
Content marketing	14.3	17.7	52.0	73.3	66.6
SaaS interactive marketing	–	–	3.2	6.4	16.4
Digital marketing	16.6	51.0	4.7	33.5	25.5
Public relations event planning	11.9	4.8	1.1	0.8	6.6
Media advertising	6.3	3.4	20.7	4.5	7.6
	<u>49.1</u>	<u>76.9</u>	<u>81.7</u>	<u>118.5</u>	<u>122.7</u>
<b>Total</b>					

## BUSINESS

As the nature of the our business and projects are short-term, most of the outstanding contract sum for each segment of our business as at the Latest Practicable Date is expected to be recognised in 2022. For details of our revenue recognition of each of our business segments, please refer to the section headed “Financial Information — Key Components of Our Consolidated Statements of Profit or Loss — Revenue” in this prospectus.

The following table sets forth the breakdown of the number of projects by business service types for our marketing service business for the periods indicated:

	For the year ended 31 December			For the four months ended 30 April 2022	Since 1 May 2022 and up to the Latest Practicable Date
	2019	2020	2021		
<b>Number of projects brought forward from the previous year/period</b>					
Content marketing	1	5	4	6	5
SaaS interactive marketing	0	0	0	55	53
Digital marketing	8	14	34	1	18
Public relations event planning	4	14	8	2	4
Media advertising	9	12	7	23	8
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total</b>	<b>22</b>	<b>45</b>	<b>53</b>	<b>87</b>	<b>88</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Add: Number of projects awarded during the year/period</b>					
Content marketing	32	34	25	7	10
SaaS interactive marketing	0	0	179	95	203
Digital marketing	74	93	40	18	27
Public relations event planning	66	55	42	16	23
Media advertising	17	23	31	4	4
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total</b>	<b>189</b>	<b>205</b>	<b>317</b>	<b>140</b>	<b>267</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## BUSINESS

	For the year ended 31 December			For the four months ended 30 April 2022	Since 1 May 2022 and up to the Latest Practicable Date
	2019	2020	2021		
<b>Less: Number of projects completed during the year/period</b>					
Content marketing	28	24	19	8	6
SaaS interactive marketing	0	0	124	97	205
Digital marketing	68	71	73	1	17
Public relations event planning	56	57	48	14	17
Media advertising	14	23	15	19	3
<b>Total</b>	<b>166</b>	<b>175</b>	<b>279</b>	<b>139</b>	<b>248</b>
<b>Less: Number of projects cancelled during the year/period</b>					
Content marketing	0	11	4	0	0
SaaS interactive marketing	0	0	0	0	0
Digital marketing	0	2	0	0	0
Public relations event planning	0	4	0	0	0
Media advertising	0	5	0	0	0
<b>Total</b>	<b>0</b>	<b>22</b>	<b>4</b>	<b>0</b>	<b>0</b>
<b>Number of projects brought forward to the next year/period</b>					
Content marketing	5	4	6	5	9
SaaS interactive marketing	0	0	55	53	51
Digital marketing	14	34	1	18	28
Public relations event planning	14	8	2	4	10
Media advertising	12	7	23	8	9
<b>Total</b>	<b>45</b>	<b>53</b>	<b>87</b>	<b>88</b>	<b>107</b>

**OUR CUSTOMERS**

During the Track Record Period, our customers for integrated marketing solutions services mainly included enterprises from the fast moving consumer goods, footwear and apparel (including sports brands) and real estate industries. Our integrated marketing solutions services projects (excluding annual subscription services for our SaaS interactive marketing services) with our customers are primarily through fee quotation or tender.

Our Group provides each type of integrated marketing solutions services in accordance with the relevant scope of services and service fees specified in the corresponding agreements. Most of our customers assess our performance mainly based on whether we have fulfilled all the requirements as set out in the scope of work in the agreements with our customers.

For each year/period during the Track Record Period, revenue generated from repeating customers accounted for approximately 89.4%, 87.4%, 83.6% and 93.8% of our total revenue of each respective period.



## BUSINESS

### Five Largest Customers

For each period of the Track Record Period, we derived approximately 26.6%, 27.1%, 37.3% and 46.9% of our revenue from our five largest customers, respectively. For the same periods, we derived approximately 6.3%, 6.3%, 8.9% and 11.4% of our revenue from our largest customer, respectively.

The table below sets forth our five largest customers during the Track Record Period:

2019

Ranking	Customer	Ultimate beneficial owners <sup>(1)(2)</sup>	Background <sup>(1)</sup>	Location of registered office <sup>(1)</sup>	Customer's main operating industry <sup>(1)</sup>	Approximate registered capital <sup>(1)</sup> ('000)	Type of services we provided	Credit period (days)	Settlement information	Approximate length of business relationship with our Group (years)	Revenue recognised (RMB'000)	Percentage of total revenue (%)
1	Fujian Hongxing Erke Sports Equipment Co., Ltd.* (福建鴻星爾克體育用品有限公司) ("Fujian Hongxing Erke")	Wu Rongzhao* (吳榮照) <sup>(3)</sup>	A private company focusing on production and sale of footwear and apparel products	Quanzhou City, Fujian Province	Footwear and apparel	USD50,000	(i) Content marketing	180	Bank transfer	4	24,623	6.3
2	Guangzhou Anxin Cosmetics Co., Ltd.* (廣州安欣化妝品股份有限公司)	Wang Guoan* (王國安)	A private company focusing on production and sale of cosmetics products	Guangzhou City, Guangdong Province	Fast moving consumer goods	RMB65,306	(i) Content marketing	180	Bank transfer	4	24,057	6.2
3	Fujian Panpan Food Co., Ltd.* (福建盼盼食品有限公司)	Cai Jinan* (蔡金鞍)	A private company focusing on production and sale of food and beverages	Jinjiang City, Fujian Province	Fast moving consumer goods	RMB50,000	(i) Content marketing (ii) Digital marketing (iii) Public relations event planning (iv) Media advertising	180	Bank transfer	5	18,800	4.8

## BUSINESS

Ranking	Customer	Ultimate beneficial owners <sup>(1)/(2)</sup>	Background <sup>(1)</sup>	Location of registered office <sup>(1)</sup>	Customer's main operating industry <sup>(1)</sup>	Approximate registered capital <sup>(1)</sup> ('000)	Type of services we provided	Credit period (days)	Settlement information	Approximate length of business relationship with our Group (years)	Revenue recognised (RMB'000)	Percentage of total revenue (%)
4	Jinguan (China) Food Co., Ltd.* (金冠(中國)食品有限公司)	Wu Wentuan (吳文團)	A private company focusing on production and sale of confectionery	Jinjiang City, Fujian Province	Fast moving consumer goods	HKD150,000	(i) Content marketing	180	Bank transfer	5	18,443	4.7
5	Customer A	-	A Hong Kong listed company focusing on production and sale of beverages and confectionery	Bermuda	Fast moving consumer goods	USD250,000	(i) Content marketing (ii) Digital marketing	180	Bank transfer	4	18,208	4.7
<b>TOTAL</b>											<b>104,131</b>	<b>26.6</b>

**Notes:**

- (1) The information is extracted from or is made reference to public sources.
- (2) Ultimate beneficial owner refers to the ultimate single largest shareholder which is a natural person.
- (3) Information is not available from public sources and this is based on the best knowledge of our Directors. Wu Rongzhao is ultimately interested in approximately 2.2714% of our Shares via his interests in Many Idea Wu Rongzhao Limited as at the Latest Practicable Date.
- (4) Save as disclosed in note (3) above, to the best knowledge of our Directors, our five largest customers in 2019, including their ultimate beneficial owners (as defined in note (2) above), directors or senior management, do not have any other past or present relationships (including business, employment, family, trust, financing and fund flow) with our Company or any other members of our Group, our shareholders (who hold 5% or more interest in any member of our Group), directors or senior management of any member of our Group, or any of their respective associates.

## BUSINESS

2020

Ranking	Customer	Ultimate beneficial owners <sup>(1)/(2)</sup>	Background <sup>(1)</sup>	Location of registered office <sup>(1)</sup>	Customer's main operating industry <sup>(1)</sup>	Approximate registered capital <sup>(1)</sup> ('000)	Type of services we provided	Credit period (days)	Settlement information	Approximate length of business relationship with our Group (years)	Revenue recognised (RMB'000)	Percentage of total revenue (%)
1	Fordoo (China) Industrial Co., Ltd.* (虎都(中國)實業有限公司)	Kwok Kin Sun (郭建新)	A subsidiary of a Hong Kong listed company focusing on design, production and sale of men's apparels	Quanzhou City, Fujian Province	Footwear and apparel	HKD360,000	(i) Content marketing (ii) Digital marketing	180	Bank transfer	8	19,292	6.3
2	Guangzhou Anxin Cosmetics Co., Ltd.* (廣州安欣化妝品股份有限公司)	Wang Guoan* (王國安)	A private company focusing on production and sale of cosmetics products	Guangzhou City, Guangdong Province	Fast moving consumer goods	RMB65,306	(i) Content marketing (ii) Digital marketing	180	Bank transfer	4	17,494	5.7
3	Customer B	-	A Hong Kong listed company focusing on production and sale of baby, maternal and personal care products	Cayman Islands	Fast moving consumer goods	HKD50,000	(i) Content marketing	180	Bank transfer	5	15,864	5.1
4	Fujian Panpan Food Co., Ltd.* (福建盼盼食品有限公司)	Cai Jinan* (蔡金安)	A private company focusing on production and sale of food and beverages	Jinjiang City, Fujian Province	Fast moving consumer goods	RMB50,000	(i) Content marketing (ii) Media advertising	180	Bank transfer	5	15,413	5.0
5	Customer C	-	A private company which belongs to a group of company that focuses on provision of SaaS services	Fujian Pilot Free Trade Zone	Internet platform	RMB50,000	(i) Digital marketing	Prepayment	Bank transfer	2	15,387	5.0
<b>TOTAL</b>											<b>83,450</b>	<b>27.1</b>

*Notes:*

- (1) The information is extracted from or is made reference to public sources.
- (2) Ultimate beneficial owner refers to the ultimate single largest shareholder which is a natural person.
- (3) To the best knowledge of our Directors, our five largest customers in 2020, including their ultimate beneficial owners (as defined in note (2) above), directors or senior management, do not have any other past or present relationships (including business, employment, family, trust, financing and fund flow) with our Company or any other members of our Group, our shareholders (who hold 5% or more interest in any member of our Group), directors or senior management of any member of our Group, or any of their respective associates.

## BUSINESS

2021

Ranking	Customer	Ultimate beneficial owners <sup>(1)/(2)</sup>	Background <sup>(1)</sup>	Location of registered office <sup>(1)</sup>	Customer's main operating industry <sup>(1)</sup>	Approximate registered capital <sup>(1)</sup> ('000)	Type of services we provided	Credit period (days)	Settlement information (years)	Approximate length of business relationship with our Group (years)	Revenue recognised (RMB'000)	Percentage of total revenue (%)
1	361 Degrees (China) Co., Ltd.* (三六一度(中國)有限公司)	Ding Wuhao (丁伍號)	A subsidiary of a Hong Kong listed company focusing on production and sale of sportswear products	Jinjiang City, Fujian Province	Footwear and apparel	HKD1,068,360	(i) Content marketing (ii) SaaS (iii) Digital marketing (iv) Media advertising (v) Public relations event planning	180	Bank transfer	5	31,334	8.9
2	Guangzhou Anxin Cosmetics Co., Ltd.* (廣州安欣化妝品股份有限公司)	Wang Guoan* (王國安)	A private company focusing on production and sale of cosmetics product	Guangzhou City, Guangdong Province	Fast moving consumer goods	RMB65,306	(i) Content marketing (ii) SaaS (iii) Digital marketing	180	Bank transfer	4	27,696	7.8
3	Customer A	-	A Hong Kong listed company focusing on production and sale of beverages and confectionery	Bermuda	Fast moving consumer goods	USD250,000	(i) Content marketing (ii) SaaS (iii) Digital marketing	180	Bank transfer	4	27,130	7.7

## BUSINESS

Ranking	Customer	Ultimate beneficial owners <sup>(1)/(2)</sup>	Background <sup>(1)</sup>	Location of registered office <sup>(1)</sup>	Customer's main operating industry <sup>(1)</sup>	Approximate registered capital <sup>(1)</sup> ('000)	Type of services provided	Credit period (days)	Settlement information	Approximate length of business relationship with our Group (years)	Revenue recognised (RMB'000)	Percentage of total revenue
4	Customer B	-	A Hong Kong listed company focusing on production and sale of baby, maternal and personal care products	Cayman Islands	Fast moving consumer goods	HKD50,000	(i) Content marketing (ii) SaaS (iii) Media advertising	180	Bank transfer	5	25,343	7.2
5	Fujian Panpan Food Co., Ltd.* (福建盼盼食品有限公司)	Cai Jinan* (蔡金坂)	A private company focusing on production and sale of food and beverages	Jinjiang City, Fujian Province	Fast moving consumer goods	RMB50,000	(i) Content marketing (ii) Media advertising	180	Bank transfer	5	20,304	5.7
<b>TOTAL</b>											<b>131,807</b>	<b>37.3</b>

**Notes:**

- (1) The information is extracted from or is made reference to public sources.
- (2) Ultimate beneficial owner refers to the ultimate single largest shareholder which is a natural person.
- (3) To the best knowledge of our Directors, our five largest customers in 2021, including their ultimate beneficial owners (as defined in note (2) above), directors or senior management, do not have any other past or present relationships (including business, employment, family, trust, financing and fund flow) with our Company or any other members of our Group, our shareholders (who hold 5% or more interest in any member of our Group), directors or senior management of any member of our Group, or any of their respective associates.

## BUSINESS

4M2022

Ranking	Customer	Ultimate beneficial owners <sup>(1)/(2)</sup>	Background <sup>(1)</sup>	Location of registered office <sup>(1)</sup>	Customer's main operating industry <sup>(1)</sup>	Approximate registered capital <sup>(1)</sup> ('000)	Type of services we provided	Credit period (days)	Settlement information	Approximate length of business relationship with our Group (years)	Revenue recognised (RMB'000)	Percentage of total revenue ('000) (%)
1	Guangzhou Anxin Cosmetics Co., Ltd.* (廣州安欣化妝品股份有限公司)	Wang Guoan* (王國安)	A private company focusing on production and sale of cosmetics product	Guangzhou City, Guangdong Province	Fast moving consumer goods	RMB65,306	(i) Content marketing (ii) SaaS (iii) Digital marketing (iv) Media advertising	180	Bank transfer	4	16,411	11.4
2	Customer A	-	A Hong Kong listed company focusing on production and sale of beverages and confectionery	Bermuda	Fast moving consumer goods	USD250,000	(i) Content marketing (ii) SaaS (iii) Digital marketing	180	Bank transfer	4	16,239	11.3
3	361 Degrees (China) Co., Ltd.* (三六一度(中國)有限公司)	Ding Wuhao (丁伍號)	A subsidiary of a Hong Kong listed company focusing on production and sale of sportswear products	Jinjiang City, Fujian Province	Footwear and apparel	HKD1,068,360	(i) Content marketing (ii) SaaS (iii) Digital marketing (iv) Media advertising	180	Bank transfer	5	13,855	9.6



## BUSINESS

Ranking	Customer	Ultimate beneficial owners <sup>(1)/(2)</sup>	Background <sup>(1)</sup>	Location of registered office <sup>(1)</sup>	Customer's main operating industry <sup>(1)</sup>	Approximate registered capital <sup>(1)</sup> ('000)	Type of services we provided	Credit period (days)	Settlement information	Approximate length of business relationship with our Group (years)	Revenue recognised (RMB'000)	Percentage of total revenue (%)
4	Customer D	-	A private company focusing on brand management and consultation and TV programme and movie production	Beijing City	Media	RMB10,000	(i) Content marketing (ii) SaaS (iii) Digital marketing (iv) Media advertising	180	Bank transfer	1	11,802	8.2
5	Fujian Panpan Food Co., Ltd.* (福建盼盼食品有限公司)	Cai Jinan* (蔡金坎)	A private company focusing on production and sale of food and beverages	Jinjiang City, Fujian Province	Fast moving consumer goods	RMB50,000	(i) Digital marketing (ii) Media advertising	180	Bank transfer	5	9,125	6.3
<b>TOTAL</b>											<b>67,432</b>	<b>46.9</b>

*Notes:*

- (1) The information is extracted from or is made reference to public sources.
- (2) Ultimate beneficial owner refers to the ultimate single largest shareholder which is a natural person.
- (3) To the best knowledge of our Directors, our five largest customers for 4M2022, including their ultimate beneficial owners (as defined in note (2) above), directors or senior management, do not have any other past or present relationships (including business, employment, family, trust, financing and fund flow) with our Company or any other members of our Group, our shareholders (who hold 5% or more interest in any member of our Group), directors or senior management of any member of our Group, or any of their respective associates.

We have maintained good relationships with our five largest customers and during the Track Record Period, there were no material disputes or claims between our five largest customers and our Group.

### **General Contract Terms with Customers**

The general terms of our service agreements vary based on negotiations with our customers and the types of services we provide. We generally adopt a credit term of 180 days. We are typically engaged by our customers on a project basis and payment by our customers is based on milestone as specified in the agreements.

Terms of our content marketing agreements normally include the following:

- *Payment terms.* Depending on commercial negotiation, typically it would involve payments by stages with the first stage of payment shortly after execution of the agreement and the last stage of payment after the events were held and delivery of the project report or confirmation by customers of the fulfilment of their sponsorship entitlements under the agreement.
- *Payment mechanism.* Generally we will issue an invoice according to the payment terms and our customers shall settle the amount within the stipulated credit period.
- *Project completion.* Completion of our services are generally evaluated based on our fulfilment of our customers' sponsorship entitlements under the agreement.
- *Variation.* If there are any variation or additional services requested by our customers, we will usually execute supplemental agreements in relation to those variation or additional services.
- *Exclusivity.* For certain of our sponsorships, we may be required not to accept engagement from prospective customers who are in competition with our customers for the relevant events.
- *Damages and liability.* Typically, a non-breaching party may be entitled to recover from the breaching party damages in respect of breach of agreement in liquidated damages or in general damages.
- *IP infringement.* Generally the IPs provided by a party to the agreement, such as trademarks, copyright and know-hows shall not infringe upon or otherwise violate intellectual property rights or other rights held by other third parties.

Terms of our SaaS interactive marketing agreements normally include the following:

- *Term.* Annual.
- *Subscription plans.* Our customer may subscribe for one of the three standardised plans on our Content Engine platform with different rights to use the different functions and marketing operation tools.

## BUSINESS

- *Fees.* Payment upon signing of contract for annual subscription fees. For certain specialised marketing contents and products, our customers will be charged additional fees. For customised marketing contents and products, it is based on commercial negotiation with customers and it is usually paid in two instalments with the first instalment upon signing of contract and the second instalment upon delivery of the product.
- *Customised products.* Our customer may engage us to provide customised products and those customised products will be subject to additional fees and separate order forms. Customised products will be for exclusive use by the ordering customer for a period of time and upon expiration of the exclusive period, the marketing contents and materials will be released on our platform.
- *Damage and liability.* A breaching party is liable for the loss suffered by the non-breaching party. We have a cap to maximum liability which shall not be more than the total subscription fees paid to us by our customers.
- *IP infringement.* The content uploaded by the customers onto the Content Engine platform shall not infringe upon or otherwise violate intellectual property rights or other rights held by third parties. The IP rights to the text, software, sound, pictures, videos and graphs provided by us on the Content Engine platform belong to us or our suppliers, as the case may be. The marketing materials created by the customer through our Content Engine platform (whether paid or not) does not constitute a purchase of the corresponding IP rights without our prior written consent, and we may continue to provide the same marketing materials to unspecified third parties.

Terms of our SaaS agent agreements normally include the following:

- *Term and renewal.* The agreement typically ends at the end of each calendar year and may be renewed by mutual agreement.
- *Exclusivity.* We do not have an exclusivity arrangement with our SaaS agents.
- *Deposit.* We require our SaaS agents to pay a deposit to us which is refundable upon termination of the agreement. We may deduct from the deposit for breach of the agreement by the SaaS agents and the SaaS agents shall replenish the balance by depositing the shortfall amount to maintain the balance of the deposit.
- *Sales target or minimum purchase amount.* We do not have a sale target or minimum purchase amount with our SaaS agents but they will enjoy different amount of commissions on a progressive rate basis depending on the level of their purchase amount in addition to standard commissions that they are entitled to regardless of the level of purchasers.

## BUSINESS

- *Pricing, payment and settlement.* Our SaaS agents are required to market and sell our subscription services according to our listed price. Our SaaS agents shall make payment to us for each user account they set up and we will settle payment with our SaaS agents every six months, except that in the event a SaaS agent sets up more than 500 standard user accounts or the purchase amount reaches RMB1.75 million within the settlement period (i.e. every six months), they shall immediately settle any outstanding payment with us. For customised products, full prepayment is required.
- *Commissions.* We offer commissions on a progressive rate basis to our SaaS agents based on the level of their annual purchase amount, as well as commissions at a standard percentage based on their quarterly purchase amount. Under the progressive commission arrangement, we provide different percentage of commissions to our SaaS agents based on their total annual purchase amount calculated on a calendar year basis, which for agents who started business with us after the start of a calendar year, an average monthly basis. For customised products, we offer a standard percentage of commissions to our SaaS agents based on the purchase amount of our customised products.
- *Refund policy.* Once a user account has been activated by the SaaS agents, our SaaS agents shall be liable to make payment for such account and we will not provide refund for any such payment.
- *Sub-SaaS agents.* Our SaaS agents are not allowed to engage sub-SaaS agents to resell our SaaS products.
- *Breach of agreement.* A party may claim the other party for breach of a term of the agreement. If the SaaS agents failed to pay the purchase amount or if we failed to pay the commissions to our SaaS agents, the breaching party shall pay a penalty for the amount due and the non-breaching party may terminate the agreement and claim for payment of additional penalty if payment is not made within a given period of time. We are also entitled to claim from the SaaS agents a penalty for breach of agreement by the SaaS agents if we suffer losses due to a breach by the SaaS agents.

Terms of our digital marketing, public relations event planning and media advertising agreements normally include the following:

- *Payment terms.* Depending on commercial negotiation, it may involve payment by stages or payment will only be made after fulfilment of the services in the agreement.
- *Payment mechanism.* Generally we will issue an invoice according to the payment terms and our customers shall settle the amount within the stipulated credit period.

## BUSINESS

- *Project completion.* Completion of our services are generally evaluated based on fulfilment of our services under the agreement and not based on the sales results from the advertisement/project.
- *Variation.* If there are any variation or additional services requested by our customers, we may execute supplemental agreements or confirm through written correspondence in relation to those variation or additional services.
- *Damages and liability.* Typically, a non-breaching party may be entitled to recover from the breaching party damages in respect of breach of agreement in liquidated damages or in general damages.
- *IP infringement.* Generally the IPs provided by a party to the agreement, such as trademarks, copyright and know-hows shall not infringe upon or otherwise violate intellectual property rights or other rights held by any other third parties.

### Marketing & Sales

Our Group obtains new projects from existing customers as a result of our high quality IP contents, high standard of performance, quality of service and effectiveness in achieving their marketing objectives in historical projects. Further, some of our new customers are introduced to us through customer referrals or word-of-mouth.

For our content marketing projects, we actively approach new or existing customers to discuss with them new sponsorship opportunities. For our SaaS interactive marketing service, we utilise our direct sales force and SaaS agents to market and sell our services.

### OUR SUPPLIERS

As we provide integrated marketing solutions to our customers, our suppliers are of many types. Some of the common suppliers include IP contents providers (IP owners or IP operators), venue providers, performance providers, contractors to set up the venue, production and material suppliers, online and traditional advertising channel or channel agents, equipment rental companies, cloud server providers, software developers, H5 developers, and data intelligence solution providers.

We generally procure supplies and services on a project by project basis. Upon the commencement of a project, our project team will set out a project budget plan according to the requirements of the project and our procurement department will review the plan and look for relevant supplier. We generally obtain fee quotation from at least 3 suppliers for the provision of the same supplies.

As we generally procure supplies and services on a project by project basis, we generally do not enter into long-term contracts with our suppliers. As at the Latest Practicable Date, for the few long-term contracts which we entered into, they generally fall into the following types: (i) media channel cooperation agreement; (ii) user operation platform and data service agreement; (iii) IP copyrights licensing agreements; and (iv) API product cooperation agreement.

### **Media Channel Cooperation**

The key terms under the agreement are set forth as follows:

- *Term.* A year and a half.
- *Products and Exclusivity.* We have the exclusive rights to sell certain advertising resources of NetEase (網易) in Xiamen city and Zhangzhou city in the PRC in the agreement to our customers. We are responsible for maintaining adequate contents on the relevant channel where we have acquired the exclusive rights.
- *Scope of the Cooperation*

The media channel's responsibilities include but not limited to:

- Provide us with the domain name and the relevant software systems such as news publishing and forum discussion for the relevant channel;
- Responsible for the technological support of the relevant channel; and
- From time to time, provide training on the relevant technologies to our relevant personnel.

Our responsibilities include but not limited to:

- The maintenance and daily update of the relevant channel.
  - Ensure that the information published on the relevant channel are consistent with the agreed content under the cooperation agreement.
  - Not publish any prohibited information nor engage in any business specified under the cooperation agreement on the relevant channel.
  - Publish not less than 60 pieces of news each day on each local website of the relevant channel.
- *Fee arrangement.* We pay a fixed fee at regular interval prior to the advertisement publishing period which each covers a three months period. We are not required to share any profit from the sale of the advertising resources with the media channel.

- *Pricing right.* We have the right to price the advertising resources subject to a minimum price as stipulated by media channel.
- *IP rights.* The copyright of the relevant channel belong to the media channel. Without the consent of any party to the cooperation agreement, no party shall use or copy any trademarks, logos, technology or other information specified under the cooperation agreement.
- *Termination.* The media channel may terminate the cooperation agreement by giving 30 days prior notice to us.
- *Expiry.* The cooperation agreement shall expire on 31 December 2022.

### **User Operation Platform and Mass Data Service**

The key terms under the agreement are set forth as follows:

- *Term.* Two years.
- *Services.* Purchase of software products and data services from the intelligence solution company.
- *Fee arrangement.* The payment shall be made in two stages and the first payment shall be paid upon the provision of first stage of the software products and services and the second payment shall be paid upon the provision of second stage of the software products and services.
- *Termination.* Each party may terminate the agreement if a party committed a breach of the agreement and failed to remedy the breach within a given period.

### **IP Copyrights Licensing**

The key terms under the (i) IP copyrights licensing agreement; and (ii) IP anime copyrights licensing agreements are set forth as follows:

- *Term.* (i) One year for the IP copyrights licensing agreement; and (ii) five years for general contract term for the IP anime copyrights licensing agreements.
- *Exclusivity.* Non-exclusive.
- *Services.* We are licensed the rights to use the IPs in the creation of marketing templates on our online platform worldwide or in the creation of our mini-games and H5 screen interactive marketing contents on our online platform within the PRC.



## BUSINESS

- *Ownership and usage rights.* IP licensors or their suppliers retain the ownership and copyrights of IP contents.
- *Assignment.* We may not assign the licences outside our Group.
- *Licensing fee.* (i) Payment shall be made for each IP content downloaded for usage in our marketing templates pursuant to the IP copyrights licensing agreement; and (ii) one off payments and revenue sharing mechanism for revenue generated from the use of mini-games and H5 screen interactive marketing contents created using the IPs under the IP anime copyrights licensing agreements.
- *Licensing fee arrangement.* (i) Prepayment shall be made pursuant to the IP copyrights licensing agreement; and (ii) one off payments shall be paid within three business days from the date of the relevant IP anime copyrights licensing agreement and the revenue sharing shall be settle on a quarterly basis.
- *Termination.* (i) Under the IP copyrights licensing agreement, the IP licensor or we may terminate the agreement by giving 60 days prior written notice without cause or may terminate the agreement immediately if the other party has breached its obligations under the agreement; and (ii) under the IP anime copyrights licensing agreements, the IP licensor may terminate the agreements if we have used the licence outside the scope of the licence and may require us to pay a specified amount of liquidated damages.

### API Product Cooperation

The key terms under the agreements are set forth as follows:

- *Term.* One year. Upon expiration of the term, the agreement shall be automatically extended for another one year unless with written notice from either party.
- *Products.* We shall upload the marketing templates of the supplier on our Content Engine platform and our customers may access and utilise those marketing templates.
- *Fee arrangement.* We shall pay the fees for the supplier's marketing templates used by our customers on our Content Engine platform on a monthly basis. We are required to make a pre-payment as an initial payment to the supplier.
- *Pricing.* The supplier may amend the fees for their marketing templates by giving three months prior written notice to us.

## BUSINESS

- *Termination.* Each party may terminate the agreement if a party committed a breach of the agreement and failed to remedy the breach within a given period.

We generally do not hold inventory of the supplies. We require our suppliers to hold all necessary licences and permits in order to be qualified as our approved suppliers. We engaged over 180, 180, 210 and 40 suppliers for each year/period during the Track Record Period, respectively. Our Directors consider that we do not depend on any particular supplier, as we have alternative suppliers to provide the services and goods that we require.

We enter into agreements with our suppliers, and the terms vary depending on, among other things, the types of supplier we need. Our payment terms with our suppliers are generally 30–90 days.

### **Management of Suppliers**

For content marketing projects where we are responsible for hosting the event and public relations event planning projects, we are generally responsible to our customers for the quality of items used in the events (e. g. audio and visual equipment, furniture and props, etc.), as well as workmanship, quality and timely execution of the event for which we host or which we are engaged to manage and oversee. Similarly, for digital marketing and media advertising projects, we are responsible to our customers for the services of our online or traditional advertising channels suppliers. It is therefore essential for us to adopt internal control measures to ensure the quality of our suppliers.

Our Group selects our approved suppliers based on the price, their scale of operation, delivery time, service level and their historical experiences. At the time of delivery and/or supply of the supplies/services and/or at the end of the project, we would inspect to ensure that the supplies/services are satisfactory and in line with the supplier agreement. In the event of any defects or issues which need to be rectified by the supplier, we typically liaise with the supplier to resolve the issue as soon as possible. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material disruption, delay or dispute in the supply of materials or services.

The business nature of our suppliers for our event content marketing services are primarily media advertising resources provider, IP content provider, film and production, equipment and prop material provider, KOLs and talent agency.

The business nature of our suppliers for our public relations event planning services are primarily media advertising resources provider, KOLs, film and production, talent agency and equipment and prop material provider.

### Five Largest Suppliers

For each period of the Track Record Period, approximately 37.0%, 41.3%, 49.1% and 61.8% of our total purchases were attributable to our five largest suppliers, respectively. For the same periods, approximately 8.0%, 9.8%, 15.5% and 14.9% of our total purchases were attributable to our largest supplier, respectively.

The table below sets forth the five largest suppliers of our Group during the Track Record Period:

2019

Ranking	Suppliers	Ultimate beneficial owners <sup>(1)/(2)</sup>	Background <sup>(1)</sup>	Location of registered office <sup>(1)</sup>	Approximate registered capital <sup>(1)</sup> ('000)	Type of services/supplies provided	Approximate length of business relationship with our Group (years)	Credit period (days)	Settlement information	Purchase amount (RMB'000)	Percentage of total purchases (%)
1	Xiamen Pop Culture Co., Ltd.* (廈門普普文化股份有限公司)	Huang Zhuoqin* (黃卓勤)	A subsidiary of a NASDAQ listed company focusing on holding Hip Hop events and providing Hip Hop related products and services	Xiamen City, Fujian Province	RMB16,506	<ul style="list-style-type: none"> <li>Media advertising resources</li> <li>Production</li> </ul>	4	90	Bank transfer	20,472	8.0
2	Xiamen Miaoju Culture Media Co., Ltd.* (廈門喙君文化傳媒有限公司) ("Xiamen Miaoju")	Liao Binglin* (廖炳林)	A private company focusing on advertising and media promotion services	Xiamen City, Fujian Province	RMB5,000	<ul style="list-style-type: none"> <li>Media advertising resources</li> <li>Production</li> <li>Equipment rental</li> </ul>	7	30-90	Bank transfer	20,124	7.9
3	Beijing Zhongming Century Science and Technology Co., Ltd.* (北京眾鳴世紀科技有限公司) ("Beijing Zhongming")	Wang Huainan* (王懷南)	A subsidiary of a Hong Kong listed company hosting a popular parenting and maternity website	Beijing City	RMB59,991	<ul style="list-style-type: none"> <li>Media advertising resources</li> </ul>	3	45	Bank transfer	18,173	7.1

## BUSINESS

Ranking	Suppliers	Ultimate beneficial owners <sup>(1)(2)</sup>	Background <sup>(1)</sup>	Location of registered office <sup>(1)</sup>	Approximate registered capital <sup>(1)</sup> ('000)	Type of services/supplies provided	Approximate length of business relationship with our Group (years)	Credit period (days)	Settlement information	Purchase amount (RMB'000)	Percentage of total purchases (%)
4	Shanghai Zhizi Information Technology Co., Ltd.* (上海智子資訊科技股份有限公司)	Zhu Jianqiu* (朱建秋)	A PRC listed company that mainly provides intelligent cloud marketing services to e-commerce enterprises	Shanghai City	RMB16,314	<ul style="list-style-type: none"> <li>Media advertising resources</li> </ul>	7	90	Bank transfer	18,080	7.1
5	Supplier A	-	A private company that mainly provides talent agency, video production and media agency services	Beijing City	RMB3,000	<ul style="list-style-type: none"> <li>Media advertising resources</li> <li>Production</li> <li>Equipment rental</li> </ul>	7	90	Bank transfer	17,916	7.0
<b>TOTAL</b>										<b>94,765</b>	<b>37.0</b>

**Notes:**

- (1) The information is extracted from or is made reference to public sources.
- (2) Ultimate beneficial owner refers to the ultimate single largest shareholder which is a natural person.

## BUSINESS

2020

Ranking	Suppliers	Ultimate beneficial owners <sup>(1)(2)</sup>	Background <sup>(1)</sup>	Location of registered office <sup>(1)</sup>	Approximate registered capital <sup>(1)</sup> ('000)	Type of services/supplies provided	Approximate length of business relationship with our Group (years)	Credit period (days)	Settlement information	Purchase amount (RMB'000)	Percentage of total purchases (%)
1	Xiamen Pop Culture Co., Ltd.* (廈門普普文化股份有限公司)	Huang Zhuoqin* (黃卓勤)	A subsidiary of a NASDAQ listed company focusing on holding Hip Hop events and promoting Hip Hop related products and services	Xiamen City, Fujian Province	RMB16,506	<ul style="list-style-type: none"> <li>Media advertising resources</li> </ul>	4	30	Bank transfer	22,264	9.8
2	Guangzhou Wyan Culture&Media Co., Ltd.* (廣州萬燕科技文化傳媒有限公司)	Wang Fuchun* (王福春) and Zhao Xiangling* (趙香玲)	A private company which provides entertainment performance and film production services	Guangzhou City, Guangdong Province	RMB102,810	<ul style="list-style-type: none"> <li>Media advertising resources</li> </ul>	3	90	Bank transfer	19,183	8.4
3	Xiamen Miaojuon Culture Media Co., Ltd.* (廈門喲君文化傳媒有限公司)	Liao Binglin* (廖炳林)	A private company which provides advertising and media promotion services	Xiamen City, Fujian Province	RMB5,000	<ul style="list-style-type: none"> <li>Media advertising resources</li> <li>Production</li> <li>Equipment rental</li> </ul>	7	30-90	Bank transfer	18,829	8.3
4	Xiamen Star Fashion Culture Media Co., Ltd.* (廈門星際時尚文化傳媒有限公司)	Zhang Pingting* (張婷婷) and Zhan Jie* (詹捷)	A private company which provides media promotion and video production services	Xiamen City, Fujian Province	RMB5,000	<ul style="list-style-type: none"> <li>Media advertising resources</li> <li>Production</li> <li>Equipment rental</li> </ul>	7	30-90	Bank transfer	17,311	7.6

## BUSINESS

Ranking	Suppliers	Ultimate beneficial owners <sup>(1)/(2)</sup>	Background <sup>(1)</sup>	Location of registered office <sup>(1)</sup>	Approximate registered capital <sup>(1)</sup> ('000)	Type of services/supplies provided	Approximate length of business relationship with our Group (years)	Credit period (days)	Settlement information	Purchase amount (RMB'000)	Percentage of total purchases (%)
5	Baidu (China) Co., Ltd.* (百度(中國)有限公司)	Robin Yanhong Li (李彥宏)	A subsidiary of a company listed on NASDAQ and Hong Kong Stock Exchange which provides online media services and search engine services	Shanghai Pilot Free Trade Zone	USD12,500	<ul style="list-style-type: none"> <li>Media advertising resources</li> </ul>	3	90	Bank transfer	16,363	7.2
<b>TOTAL</b>										<b>99,950</b>	<b>41.3</b>

*Notes:*

- (1) The information is extracted from or is made reference to public sources.
- (2) Ultimate beneficial owner refers to the ultimate single largest shareholder which is a natural person.

## BUSINESS

2021

Ranking	Suppliers	Ultimate beneficial owners <sup>(1)/(2)</sup>	Background <sup>(1)</sup>	Location of registered office	Approximate registered capital <sup>(1)</sup> ('000)	Type of services/supplies provided	Approximate length of business relationship with our Group (years)	Credit period (days)	Settlement information	Purchase amount (RMB'000)	Percentage of total purchases (%)
1	Xiamen Pop Culture Co., Ltd.* (廈門普普文化股份有限公司)	Huang Zhuoqin* (黃卓勤)	A subsidiary of a NASDAQ listed company focusing on holding Hip Hop events and promoting Hip Hop related products and services	Xiamen City, Fujian Province	RMB16,506	<ul style="list-style-type: none"> <li>Media advertising resources</li> </ul>	4	30-90	Bank transfer	36,321	15.5
2	Shanghai Zhizi Information Technology Co., Ltd.* (上海智子資訊科技股份有限公司)	Zhu Jianqiu* (朱建秋)	A PRC listed company that mainly provides intelligent cloud marketing services to e-commerce enterprises	Shanghai City	RMB16,314	<ul style="list-style-type: none"> <li>Media advertising resources</li> </ul>	7	90	Bank transfer	25,981	11.1
3	Xiamen Wenzhao Network Technology Co., Ltd.* (廈門文昭網絡科技股份有限公司)	Cai Chuangyi* (蔡創奕)	A private company which provides internet media resources services	Xiamen City, Fujian Province	RMB10,000	<ul style="list-style-type: none"> <li>Media advertising resources</li> </ul>	2	90	Bank transfer	21,458	9.2
4	Quanzhou Shengda Ruixing Culture Communication Co., Ltd.* (泉州盛大瑞興文化傳播有限公司)	Li Youcai* (李友才)	A private company which provides various advertising and marketing services	Quanzhou City, Fujian Province	RMB5,000	<ul style="list-style-type: none"> <li>Media advertising resources</li> <li>Production</li> <li>Equipment rental</li> </ul>	7	90	Bank transfer	16,629	7.1



## BUSINESS

Ranking	Suppliers	Ultimate beneficial owners <sup>(1)/(2)</sup>	Background <sup>(1)</sup>	Location of registered office <sup>(1)</sup>	Approximate registered capital <sup>(1)</sup> ('000)	Type of services/supplies provided	Approximate length of business relationship with our Group (years)	Credit period (days)	Settlement information	Purchase amount (RMB'000)	Percentage of total purchases (%)
5	Xiamen Star Fashion Culture Media Co., Ltd.* (廈門星際時尚文化傳媒有限公司)	Zhang Pingting* (張聘婷) and Zhan Jie* (詹捷)	A private company which provides media promotion and video production services	Xiamen City, Fujian Province	RMB5,000	<ul style="list-style-type: none"> <li>• Media advertising resources</li> <li>• Production</li> </ul>	7	30-90	Bank transfer	14,473	6.2
<b>TOTAL</b>										<b>114,862</b>	<b>49.1</b>

*Notes:*

- (1) The information is extracted from or is made reference to public sources.
- (2) Ultimate beneficial owner refers to the ultimate single largest shareholder which is a natural person.

## BUSINESS

4M2022

Ranking	Suppliers	Ultimate beneficial owners <sup>(1)(2)</sup>	Background <sup>(1)</sup>	Location of registered office <sup>(1)</sup>	Approximate registered capital <sup>(1)</sup> ('000)	Type of services/supplies provided	Approximate relationship with our Group (years)	Credit period (days)	Settlement information	Purchase amount (RMB'000)	Percentage of total purchases (%)
1	Xiamen Star Fashion Culture Media Co., Ltd.* (廈門星際時尚文化傳媒有限公司)	Zhang Pingting* (張婷) and Zhan Jie* (詹捷)	A private company which provides media promotion and video production services	Xiamen City, Fujian Province	RMB5,000	<ul style="list-style-type: none"> <li>Media advertising resources</li> <li>Production</li> <li>Equipment rental</li> </ul>	7	30-90	Bank Transfer	14,211	14.9
2	Xiamen Wenzhao Network Technology Co., Ltd.* (廈門文樞網絡科技有限公司)	Cai Chuangyi* (蔡創奕)	A private company which provides internet media resources services	Xiamen City, Fujian Province	RMB10,000	<ul style="list-style-type: none"> <li>Media advertising resources</li> </ul>	2	90	Bank Transfer	14,127	14.8
3	Supplier A	-	A private company that mainly provides talent agency, video production and media agency services	Beijing City	RMB3,000	<ul style="list-style-type: none"> <li>Media advertising resources</li> <li>Production</li> <li>Equipment rental</li> </ul>	7	90	Bank Transfer	11,792	12.4
4	Shanghai Zhizi Information Technology Co., Ltd.* (上海智子資訊科技股份有限公司)	Zhu Jianqiu* (朱建秋)	A PRC listed company that mainly provides intelligent cloud marketing services to e-commerce enterprises	Shanghai City	RMB16,314	<ul style="list-style-type: none"> <li>Media advertising resources</li> </ul>	7	90	Bank Transfer	10,459	11.0
5	Jiangxi Weishide Sports Culture Co., Ltd.* (江西維世德體育文化有限公司)	Sheng Jie* (盛杰)	A private company that provides sports event planning and promotion services	Fuzhou City, Jiangxi Province	RMB3,000	<ul style="list-style-type: none"> <li>Media advertising resources</li> </ul>	3	90	Bank Transfer	8,302	8.7
<b>TOTAL</b>										<b>58,891</b>	<b>61.8</b>

Notes:

- (1) The information is extracted from or is made reference to public sources.
- (2) Ultimate beneficial owner refers to the ultimate single largest shareholder which is a natural person.

## BUSINESS

All of our five largest suppliers during the Track Record Period were Independent Third Parties, and none of our Directors or their respective close associates or any of our Shareholders holding more than 5% of the issued share capital of our Company had any interest in any of our five largest suppliers of our Company during the Track Record Period.

### OVERLAPPING MAJOR CUSTOMERS AND SUPPLIERS

For each year/period during the Track Record Period, to the best knowledge and belief of our Directors, one, nil, nil and nil of our top ten largest suppliers were also our customers for the respective period. In 2019, we purchased media resources from Beijing Zhongming and we also provided public relations event planning services to it in 2021. In 2019, purchases from Beijing Zhongming was approximately RMB18.2 million which accounted for approximately 7.1% of our total purchases for the relevant year. It was not our supplier in 2020, 2021 and 4M2022. For 2021, our revenue generated from Beijing Zhongming was approximately RMB252,830 which accounted for approximately 0.1% of our total revenue for the relevant year. Our gross profit margin in relation to the services to Beijing Zhongming was approximately 39.9% for the same year. It was not our customer in 2019, 2020 and 4M2022.

For 2019, one of our top ten largest customers, Fujian Hongxing Erke, was also our supplier. In 2019, we provided content marketing services to Fujian Hongxing Erke; in 2020, we provided content marketing, digital marketing and public relations event planning services to it; in 2021, we provided content marketing, SaaS interactive marketing and digital marketing services to it; and for 4M2022, we provided content marketing, SaaS interactive marketing and digital marketing services to it. It was not one of our top ten largest customers in 2020, 2021 and 4M2022. For each year/period during the Track Record Period, our revenue generated from Fujian Hongxing Erke was RMB24.6 million, RMB9.9 million, RMB10.2 million and RMB5.6 million which accounted for approximately 6.3%, 3.2%, 2.9% and 3.9% of our total revenue for the relevant period, respectively. Our gross profit margin from Fujian Hongxing Erke was approximately 33.2%, 3.2%, 19.3% and 45.4% for the same periods. We recorded lower gross profit margin from Fujian Hongxing Erke in 2020 primarily due to impact of the COVID-19 restrictions on one particular event content marketing project in which Fujian Hongxing Erke was one of the sponsoring customers to the project. As a result, we recorded a negative gross profit margin of 40.7% and a negative gross profit of approximately RMB1.4 million for Fujian Hongxing Erke in this particular project. For this event content marketing project, we had three customers (including Fujian Hongxing Erke) sponsoring this project, and we recorded the same negative gross profit margin from all three of them. Meanwhile, we cooperated with Fujian Hongxing Erke in other five projects in 2020 in addition to this particular loss making project and we achieved profitability in these other five projects which offset the negative gross profit from the loss-making project. As a result, we recorded a lower yet positive gross profit margin for Fujian Hongxing Erke in 2020. For 4M2022, Fujian Hongxing Erke engaged us for our content marketing service, SaaS interactive marketing service and digital marketing service. In particular, the digital marketing project which Fujian Hongxing Erke engaged us for 4M2022 was published through NetEase (網易) channel, which we were able to better control our costs when utilising such channel under our cooperation arrangement with NetEase (網易), and thus lead to a higher gross profit margin as compared to our overall average gross profit margin for 4M2022.

## BUSINESS

During the Track Record Period, we rented office space from a company which belongs to the same group of Fujian Hongxing Erke and the rental expenses incurred thereof for each year/period during the Track Record Period was approximately RMB1.7 million, RMB1.8 million, RMB1.6 million and RMB0.6 million, respectively.

As at the Latest Practicable Date, the ultimate beneficial owner of Fujian Hongxing Erke, which to the best knowledge of our Directors, is Wu Rongzhao (吳榮照), who is ultimately interested in approximately 2.2714% of our Shares via his interests in Many Idea Wu Rongzhao Limited. Save as disclosed herein, to the best knowledge and belief of our Directors, the overlapping major customers and suppliers, and their respective beneficial owners are Independent Third Parties.

Negotiations of the terms of our purchases from and sale to Beijing Zhongming and Fujian Hongxing Erke were conducted on individual and arms' length basis and these purchases and sales were neither inter-connected nor inter-conditional with each other. Based on the above, our Directors confirmed that the transactions with Beijing Zhongming and Fujian Hongxing Erke are in line with the market and similar to those transactions with our other customers and suppliers. As such, the transactions with Beijing Zhongming and Fujian Hongxing Erke were entered into on normal commercial terms.

### SEASONALITY

Our Group's business is subject to seasonality. We typically record higher sales and gain momentum in the fourth quarter, as some of the key holidays (e.g. Mid-autumn Festival, National Day, Christmas) and high-profile e-commerce platform sale campaigns (e.g. Double 11 Singles' Day, Double Twelve) fall in the fourth quarter and brand owners generally heighten their promotion and marketing effort in the fourth quarter in view of these holidays and sale campaigns. According to the Industry Report, it is an industry norm that there is seasonality on marketing services market as most advertisers are willing to put their budgets on marketing services for products and services during the fourth quarter of the year. Especially, brands in the footwear and apparel industry normally introduce their latest fashion trends and launch their promotion campaigns in September and the fourth quarter.

### PRICING STRATEGIES

We adopt different pricing strategies, primarily a cost-plus pricing model and subscription plan model, based on the different types of marketing services we provide.

For content marketing projects, we adopt a pricing strategy based on the cost-plus pricing model with reference to various factors such as expected number of participants to attend the events, the popularity of the IP contents, the location of the events, the form, duration and cost of online advertisements, the online channel to be used for the online advertisements, the location which the online advertisements are targeted and the cost of acquisition of the marketing rights of the projects (for third party IP content marketing projects) or the cost of development of the IP contents (for self owned IP content marketing projects). We also would refer to other projects with similar nature and scale in the industry and our past experience in similar projects when determining the pricing or the projects.

## BUSINESS

For our SaaS interactive marketing service, we offer our customers different subscription plans to meet their needs and requirements. We currently offer three tiers of plans, namely standard, advanced, and deluxe editions with three corresponding packages. We price our SaaS interactive marketing service with reference to subscription plan offered to our customers. The pricing of our subscription plans are primarily determined with reference to subscription plans offered by our competitors with platforms offering similar marketing services. They may also subscribe to additional service on our Content Engine platform and request for customised products for additional fees. Our additional service fees are determined with reference to the (i) difficulty and complexity of the customised product requested; (ii) the amount of time required to be spent in the project by our technical staff, and (iii) services fees of our competitors with platforms offering similar customised products. As our Content Engine platform has various templates and tools such as interactive creative management tools, algorithm recommendations and operational data management, we consider the price for each of the templates and tools to determine an aggregate combined pricing for our Content Engine platform.

For digital marketing, public relations event planning and media advertising projects, the main pricing strategy adopted by us is the cost-plus pricing model. We generally take into account various factors, including the scope of work, scale, duration and complexity of the project, costs of labour, material, media resources and venue, media channels, any special request from the customers, fees charged for historical similar projects and the current market conditions. The final fee for our projects are subject to the negotiation process conducted with our customers.

The following table sets out the range and average of the project fees measured by revenue for our business segments for each period during the Track Record Period:

	For the year ended 31 December						For the four months ended	
	2019		2020		2021		30 April	
	Range of project fees RMB	Average of project fees RMB	Range of project fees RMB	Average of project fees RMB	Range of project fees RMB	Average of project fees RMB	Range of project fees RMB	Average of project fees RMB
Content marketing	280,000- 24 million	8.9 million	2 million- 18 million	7.4 million	5 million- 26 million	10.5 million	6 million- 17 million	8.3 million
SaaS interactive marketing <sup>(1)</sup>	N/A	N/A	N/A	N/A	20,000- 150,000	84,000	20,000- 150,000	86,000
Digital marketing	2,600- 8 million	0.9 million	1,100- 16 million	1.0 million	10,000- 5 million	1.3 million	100,000- 6 million	1.5 million
Public relations event planning	35,000- 3 million	0.8 million	8,600- 3 million	0.7 million	15,000- 5 million	0.5 million	40,000- 1 million	0.3 million
Media advertising	380,000- 12 million	2.4 million	290,000- 2 million	0.8 million	150,000- 7 million	1.4 million	400,000- 7 million	2.6 million

*Note:*

- 1) The range and average of project fees for SaaS interactive marketing refers to the additional fees charged to the subscribers of the Content Engine platform for the customised project services and is exclusive of the subscription fees as the annual subscription fees are not recognised as project fees.

For details of our revenue recognition of each of our business segments, please refer to the section headed “Financial Information — Key Components of Our Consolidated Statements of Profit or Loss — Revenue” in this prospectus.

### **TECHNOLOGY**

Based on the cloud technology architecture, we believe our Content Engine platform has high reliability, high scalability, high performance and high security, and can process data in a timely manner to meet the needs of our customers. Our primary technologies used by our Content Engine platform include:

#### **Algorithm Recommendation**

The algorithm recommendation helps to accurately match our customers’ interactive marketing contents according to their industries, customers’ preference, or types of target end-customers. Our Content Engine platform has an inbuilt automated function to recommend templates suitable for our customers. It analyses how many target end-customers have clicked into our customers’ marketing contents and the dissemination data to adjust parameters of the recommendation model, so that the algorithm can more accurately recommend our customers’ contents to their end-customers.

#### **Digital Interactive Marketing Contents Editor**

To help our customers interacting with their end-customers more efficiently, we developed our own digital interactive marketing contents editor to enable our customers to design their own bespoke mini-games to promote their marketing contents to their end-customers in an interactive way. The digital interactive marketing content editor is componentised, standardised and visualised. It provides a range of common mini-game templates and our customers can flexibly set their own game contents based on their specific needs. It is user-friendly and easy to operate for our customers who may not possess professional programming or game developing capabilities.

This tool helps our customers in simplifying the process of designing, creating, and publishing their own interactive marketing contents online. Moreover, this tool can be used to design mini-games for both mobile devices and personal computers.

### **Screen Interactive Marketing Contents Editor**

The screen interactive marketing contents editor caters our customers' needs to interact with their end-customers in offline stores or events. Like the digital interactive marketing contents editor, the screen interactive marketing contents helps our customers design their own mini-games to be played on screens in offline stores or events to attract end-customers, build up brand names and improve shopping experience of end-customers. It is also based on common mini-game templates that can be flexibly adapted to different needs and scenarios. Similarly, our customers without specific knowledge in programming can easily use this tool to design mini-games tailored made to their stores or events. Contents created by the screen interactive marketing contents editor can also be easily modified.

### **Operational Data Management System**

We are able to continually analyse dissemination data of our marketing templates to optimise our platform and contents. When our customers use our marketing templates and publish them to their targeted end-customers, the system will track and analyse the dissemination data. With the help of the system, our customers can keep track of the dissemination of their marketing contents, and critically analyse if their marketing have reached their target end-customers so as to adjust their marketing contents and marketing strategies accordingly.

## **RESEARCH AND DEVELOPMENT**

We have a team of experienced personnel dedicated to research and development. As at 30 April 2022, we had a total of 43 research and development employees, having experience in, among others, development of web page, development of hypertext preprocessor (PHP) and games, testing of software, design of user interface, and operations and maintenance of IT systems. As at 30 April 2022, a majority of our research and development employees had obtained bachelor degree or above. Our research and development team primarily responsible for the coding and development of our Content Engine platform, in particular the algorithm recommendation function, digital interactive marketing content editor, screen interactive marketing contents editor and the operational data management system. We incurred approximately RMB4.7 million and RMB2.9 million research and development expenses in 2021 and 4M2022, respectively and we included our research and development expenses in the general administrative expenses for 2019 and 2020.

In addition to hiring experienced candidates from well-established marketing companies, we also cooperate with various interactive marketing development companies to further enhance the contents on our Content Engine platform. Please refer to the paragraph headed “— Our Integrated Marketing Solutions — SaaS Interactive Marketing Service — Overview of our SaaS Interactive Marketing Platform” in this section of this prospectus for further information.



## BUSINESS

Our SaaS interactive marketing service development process is continually driven by customers' demands. We closely attend to the needs of our customers and respond to any changes through developing and adding new or optimising existing features. To remain innovative, we collect customers' feedbacks through various sources and provide our development team with autonomy and freedom to explore new concepts in creating new features.

Our development process for new functions or features can generally be divided into the following stages:

- *Stage 1: Demand Analysis.* Our sales and marketing department takes the lead on conducting market analysis to understand the demand of our customers.
- *Stage 2: Product Design.* Our design department initiates design (including visual design) of prototype models.
- *Stage 3: Product Development.* Our IT department begins development of new products and functions based on the prototype models and conducts testing prior to launching on our platform.
- *Stage 4: Ongoing Optimisation.* We will continue to develop our technologies and launch updated versions of our platform with improved features and functionalities based on customers' feedback.

### COMPETITIVE LANDSCAPE

The marketing services market in China was fragmented in 2021, with the top five marketing services companies accounted for approximately 16.9% market share of the total marketing services market. The marketing services market in China can be segmented into digital marketing, media advertising, content marketing, public relations event planning, and SaaS interactive marketing, which accounted for approximately 40.9%, 35.2%, 17.5%, 6.1% and 0.3% of total China's marketing services market in 2021.

The marketing services market can also be categorised based on the types of media utilised, which includes offline and online marketing markets. Under this categorisation, our event content marketing services, public relations event planning services and media advertising services fall within the offline marketing market, while our digital content marketing services, SaaS interactive marketing services and digital marketing services fall within the online marketing market.

As advised by Frost & Sullivan, the offline and online marketing markets are both highly competitive. China's offline marketing market was fragmented with over 100,000 service providers in China in 2021. Top five service providers in offline marketing services accounted for approximately 30% market share of total market size. Our Group, with a revenue of approximately RMB202.8 million in offline marketing services in 2021, accounted for approximately 0.04% of the China's offline marketing services market share in 2021 in terms of revenue. It is estimated that there are over 100,000 online marketing service providers in China in 2021. Top five service providers in online

## BUSINESS

marketing services accounted for approximately 7.0% market share of total market size. Our Group, with a revenue of approximately RMB150.5 million in online marketing services in 2021, accounted for approximately 0.02% of China's online marketing services market market share in 2021 in terms of revenue. For further information on the competitive landscape of the marketing services market in China, please refer to the section headed "Industry Overview" in this prospectus.

### LICENCES AND PERMITS

As at the Latest Practicable Date, as advised by our PRC Legal Adviser, we have obtained all material licences, permits and certificates which are necessary for our operations in the PRC. The following table sets forth the details of our major licence:

Licence	Holder	Valid Period
Commercial Performance Permit (營業性演出許可證)	Xiamen Second Future	7 January 2022 to 6 January 2024

From time to time during the course of our business, our Group requires ad hoc registrations and permissions to complete our projects. The usual registrations include the public security registration (公安備案) as required under the *Regulations on Safety Administration of Large-scale Public Activities* (大型群眾性活動安全管理條例) for organising a public event in the PRC.

### EFFECTS OF THE COVID-19 OUTBREAK

#### Industry Background

Since the end of December 2019, the outbreak of a novel strain of coronavirus named COVID-19 has materially and adversely affected the global economy. In response, China has imposed widespread lockdowns, closure of work places and restrictions on mobility and travel to contain the spread of the virus. As at the Latest Practicable Date, China still imposed restrictions on mobility and travel and some of the Chinese cities (such as Beijing, Shanghai, Dalian City and Xuzhou City) had stringent quarantine measures.

As a result of various lockdown restrictions during COVID-19 outbreak, marketing services market in China has been affected in different ways. Since a lot of offline stores were closed during COVID-19, merchants turned to digital marketing for promoting their products and services during the pandemic. Marketing services providers start to use more digitalised tools, such as short videos, on online social medias like TikTok, WeChat and Xiaohongshu. With the development of online technology and large base of mobile internet users, digital marketing services market has significantly grown during COVID-19 period.

### **Impact of the COVID-19 Outbreak on our Business**

To varying degrees, our business operations had been affected by the COVID-19 outbreak. Due to the nationwide lockdowns across China during the COVID-19 outbreak, certain of our projects had been temporarily delayed or cancelled. For 2020, three and 15 of our content marketing and public relations event planning projects in aggregate was delayed or cancelled, respectively. Our revenue from event content marketing projects decreased by approximately 42.8% from 2019 to 2020 and our overall revenue declined by approximately 21.1% from 2019 to 2020.

Our business, including content marketing and media advertising services, started to recuperate in 2021, despite several occasions of local movement restrictions due to COVID-19 which led to temporary delay of five event content marketing projects as at 31 December 2021. Our revenue from content marketing services and media advertising services increased by approximately 5.7% and 131.6%, respectively, for 2021 compared to 2020. For our digital marketing services, our revenue increased by approximately 20.3% for 2021 compared to 2020. However, our revenue from public relations event planning services decreased by approximately 35.5% for 2021 compared to 2020.

Since February 2022, there was a resurgence of COVID-19 pandemic in the PRC, in particular the emergence and increasing reported cases of the Delta and Omicron virus variants, which has created uncertainties for our business operations. During 4M2022, we had one event content marketing project on teenage sports event with a contract value of RMB7.5 million, which was initially scheduled to be held in 2021 and delayed to 2022 was further postponed as a result of local restrictive measures due to COVID-19. The project is expected to be postponed to the second half of 2022. For the same period, we also had a public relations event planning project with a contract value of RMB980,000 being delayed. It is expected that the project will be postponed to the second half of 2022. For the said two projects, we had made prepayments to suppliers in an aggregate amount of RMB1.2 million as at the Latest Practicable Date. In addition, our customers for nine of our projects, which were in pitching and negotiation stage, decided not to proceed further to the signing of contracts and withhold those projects. As those projects were at pitching and negotiation stage, we did not incur substantial costs in relation to those projects. Despite the above, our revenue increased by approximately 104.8% from RMB70.2 million for 4M2021 to RMB143.8 million for 4M2022 primarily due to increase in revenue from our content marketing services which mainly was due to we had four content marketing projects delayed from 2021 were completed in January 2022 and we had two content marketing projects which started in 2021 were completed in January 2022 prior to the resurgence of COVID-19 pandemic in China. For further details of the impact of COVID-19 on each of our business segment, please refer to the sections headed “Financial Information — Key Components of Our Consolidated Statements of Profit or Loss” and “Financial Information — Review and Historical Results of Operations” in this prospectus.

Subsequent to the Track Record Period from 1 May 2022 and up to the Latest Practicable Date, we had three additional delayed projects and two cancelled projects which were all content marketing projects. Of the three delayed projects, one had been completed on 3 September 2022, one is tentatively postponed to November 2022 and another one is under discussion with the relevant party. Upon negotiations with the IP content provider regarding the two cancelled content marketing projects, it was agreed that the projects will be substituted by two new projects, being a music festival and a cycling race which are expected to be completed by end of 2022. The aggregate contract value of the three additional delayed projects is RMB41.4 million and the two cancelled projects is RMB26.2 million.

During the Track Record Period, we incurred expenses of RMB5.0 million for delayed or cancelled projects that could not be recovered and two of our delayed projects during the Track Record Period had not been completed as at the Latest Practicable Date.

### **Our Remedial Measures**

As offline events were impacted by lockdowns, social distancing and restrictions on gathering, customers have shifted their demands for marketing needs to online and digital format. In response to the change in customers' preference, we have been mobilising internal resources to promote marketing utilising online channels. In 2020, we launched several sports and fashion lifestyle digital content marketing projects and recorded higher revenue from digital content marketing service. Further, approximately 24.6% of our revenue from content marketing projects was attributed to digital content marketing projects as compared to approximately 5.9% in 2019. We also recorded higher revenue from digital marketing service for 2020 and 2021.

In addition, in view of that brand owners are forced to adapt and adjust their marketing methods given the rapid and broad adoption of digital commerce as well as the various lockdown measures due to COVID-19, our formal launch of our Content Engine platform came at the right time as it could facilitate brand owners to transfer from offline interactions to digital interactions with their end-customers. As at 30 September 2022, our Content Engine had over 8,000 users accounts. We will continue to invest in our SaaS interactive marketing services as it is one of our most important strategic focus. From our experience in 2020, we had also included protective clause in our business arrangements with our customers and suppliers, including prohibitive or penalty provisions specifically for the recent COVID-19 pandemic situation in the contract to deter customers or suppliers from cancelling the project, to limit the impact of COVID-19 restrictions on our operations starting in mid 2021. After the protective clause has been incorporated, we did not encounter any customers or suppliers breaching such clause where projects which were cancelled due to COVID-19 restrictions were substituted by new projects as replacement.

## BUSINESS

Further, we adopted flexible remote working arrangements based on the varying situations in different cities in China during the COVID-19 outbreak. In addition, we have also implemented various precautionary policies to ensure the safety of our employees working remotely or onsite. In line with government guidelines, we have closely tracked the health status of our employees and we routinely check their body temperature before they enter our offices. We plan to continue to adopt these remedial measures and may implement additional measures as necessary to ease the impact of the COVID-19 outbreak on our business operations.

Further, many of our customers are well known brand customers such as HongXing Erke\* (鴻星爾克), ABC Kids, Liby\* (立白), FILA (斐樂), Gold Crown\* (金冠), 361 Degrees\* (361度), Panpan\* (盼盼), Hengan\* (恒安) and Anjoy\* (安井) and we have established long term business relationships with many of them. For example, we have business relationships with ABC Kids, Panpan\* (盼盼), Gold Crown\* (金冠) and HongXing Erke\* (鴻星爾克) for eight years, five years, five years and four years, respectively. We believe our stable relationships with large brand customers can contribute our growth in the long-term.

During the Track Record Period, we generated the highest amount of revenue from our customers in the fast moving consumer goods industry and followed by customers from the footwear and apparel and real estate industries. They contributed in aggregate 82.4%, 82.7%, 94.9% and 89.6% of our total revenue for each period during the Track Record Period. According to the Frost & Sullivan Report, the market size of these industries are expected to continue to grow from 2021 to 2026 at a CAGR of 4.8% for the fast moving consumer goods industry, at a CAGR of 9.0% for the sports footwear and apparel industry and at a CAGR of 3.5% for the real estate industry. As such, we expect that our customers' demand for our services will continue to grow.

Based on these factors, our Directors are of the view that the impact of the COVID-19 outbreak on our business operations and financial condition to be temporary and do not expect to experience material adverse impact on our long-term business prospect as a result of the COVID-19 outbreak.

### QUALITY CONTROL AND AWARDS

We believe our ability to deliver quality services is crucial to the success of our Group. We have established a quality management system and has formulated general and specific service quality control plans and policies such as general procurement policies, procedures on certain media channel livestreaming and project implementation procedures.

## BUSINESS

In addition, we attained the following awards in recognition of our services:

Certificates	Awarding organisation	Year of grant
The 10th Social Marketing Forum Golden Bee Awarding Ceremony — “Integrated Marketing Silver Award”* (第十屆社會化營銷論壇暨金蜜蜂獎頒獎盛典 — 整合營銷類銀獎)	Advertiser (formerly Advertiser Magazine)* 廣告主 (原《廣告主雜誌》)	2021
Top Ten Cultural Enterprises in Fujian Province (2020)* (福建省文化企業十強 (2020年度))	Fujian Province Cultural Reform and Development Leading Group* (福建省文化改革發展工作領導小組)	2020
The 8th Topdigital Domestic Brand Marketing Gold Award* (第八屆Topdigital國貨品牌行銷金獎)	Topdigital committee* (Topdigital 組委會)	2020
2020 CAMA China Advertising and Marketing Award — “Integrated Marketing Company of the Year”* (2020 CAMA中國廣告營銷大獎 [年度整合營銷公司])	China Advertising Magazine* (《中國廣告雜誌社》)	2020
The 8th Social Marketing Forum Golden Bee Awarding Ceremony — “Brand Marketing Gold Award”* (第八屆社會化營銷論壇暨金蜜蜂獎頒獎盛典 — 「品牌營銷類金獎」)	Advertiser (formerly Advertiser Magazine)* 廣告主 (原《廣告主雜誌》)	2019

## BUSINESS

Certificates	Awarding organisation	Year of grant
BabyTree Golden Tree Award — Annual Preschool Sports Education Award* (寶寶樹金樹獎 — 年度幼兒運動教育獎)	BabyTree* (寶寶樹)	2018
The 6th Social Network Marketing Golden Bee — “Best Integrated Marketing” Bronze Award* (第六屆社交網路行銷金蜜蜂「最佳整合營銷類」銅獎)	Advertiser Magazine* (《廣告主雜誌》)	2017
The 6th Social Network Marketing Golden Bee — “Best Integrated Marketing” Gold Award* (第六屆社交網路營銷金蜜蜂獎「最佳整合營銷類」金獎)	Advertiser Magazine* (《廣告主雜誌》)	2017
The 24th China International Advertising Festival — 2017 China Advertising Great Wall Award Advertiser* (第24屆中國國際廣告節2017年度中國廣告長城獎廣告主獎)	China Advertising Association* (中國廣告協會)	2017

## INSURANCE

We maintain insurance policies to safeguard against risks and unexpected events. As at the Latest Practicable Date, we had, among others, the following insurance coverage: (i) PRC’s five categories of insurance for our employees (basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance); (ii) vehicle insurance; and (iii) project based public liability and accident liability insurance. For the public liability and accident liability insurance, it may be taken out by us or by our customers depending on the specific project. Our Directors believe that our Group’s insurance policies are adequate to cover our business operation and consistent with the common industry practice in the PRC. However, there is no assurance that our current insurance coverage will be able to cover all types of risks involved in our business operations, or be sufficient to cover the full extent of loss or liability for which we may be held liable. For further information, please refer to the section headed “Risk Factors — Risks Relating to Our Business and Our Industry — Our insurance coverage may not be sufficient to cover all risks involved in our business operations” in this prospectus.



## **WORK SAFETY AND ENVIRONMENTAL MATTERS**

We are subject to PRC laws and regulations in relation to labour, safety and environment protection matters. By the nature of our business, our operational activities do not generate industrial pollutants and our operations generally do not raise any material safety or health related concerns.

We do not operate any production facilities. Therefore, we are not subject to significant health, safety or environmental risks. We do not expect to incur any material liabilities or expenditures in these respects. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material fines or other penalties due to non-compliance with health, safety or environmental regulations.

However, we consider occupational health and safety as one of our important responsibilities so we are committed to providing employees and customers with a safe, efficient and comfortable working environment and services. We establish a safety work plan for each large-scale event we organise, and plan the number, positions and workflow of safety staff in advance. In order to effectively control emergencies, we have established an emergency rescue plan, according to which we will calmly handle the emergency or incident that may arise in the events we host. We also strengthen our employees' safety awareness by providing training programmes on occupational health and safety to our employees. We have implemented emergency measures to manage, report and investigate any potential incident and organise safety drills periodically.

## **ENVIRONMENTAL, SOCIAL AND GOVERNANCE**

We are committed to promoting corporate social responsibility and sustainable development and integrating it into all major aspects of our business operations. Corporate social responsibility is viewed as part of our core growth philosophy that will be pivotal to our ability to create sustainable value for our Shareholders by embracing diversity and public interests. Accordingly, our Board has adopted a comprehensive policy on environmental, social and corporate governance (“**ESG**”) responsibilities (the “**ESG Policy**”) in accordance with the Listing Rules, which sets forth our corporate social responsibility objectives and provides guidance on practising corporate social responsibility in our daily operations.

Our Board has the collective and overall responsibility for establishing, adopting and reviewing the ESG vision, policy and target of our Group, and evaluating, determining and addressing our ESG-related risks at least once a year. Our Board may engage independent third party(ies) to evaluate the ESG risks and review our existing strategy, target and internal controls. Necessary improvement will then be implemented to mitigate the risks.

## BUSINESS

The Audit Committee is responsible for evaluating and advising our Board on the implementation of our ESG Policy. We further intend to establish a risk management team (the “**Risk Management Team**”) which will be led by Ms. Wong Yan Ki, Angel, our independent non-executive Director, to support the Board in formulating and implementing the ESG Policy and overseeing relevant disclosure. The Risk Management Team will also coordinate and manage general ESG affairs, which will be made up of personnel from key departments such as finance and administration, operations and sales. The Risk Management Team will be responsible for guiding the development of ESG-related matters, communicating with stakeholders, assessing ESG risks, including climate-related risks and opportunities, based on our business conditions, improving assessment indicators, promoting ESG work results and disclosing ESG information annually.

Under our ESG Policy, we aim to build a sustainable community with our employees, customers and business partners by supporting local initiatives that aim to create effective and lasting benefits to the local community, through various initiatives that may include corporate philanthropy, establishing community partnerships, and mobilising our employees to participate in volunteer work. In addition, we also endeavour to reduce any negative impacts on the environment through our commitment to energy saving and sustainable development. We will also focus on embracing diversity within our organisation and equal and respectful treatment of all of our employees in their hiring, training, wellness and professional and personal development. While maximising equal career opportunity for everyone, we will also continue to promote work-life balance and create a collegial culture in our workplace for all of our employees.

Although our business operations do not directly produce pollutants that directly affect the environment, we have implemented internal policies to reduce our carbon footprint and reduce waste through:

- installing energy efficient lighting and ensuring lights are switched off when out of use either manually or through automatic sensors;
- for necessary paper documents, requiring double-sided printing of documents throughout our offices;
- switching off certain IT equipment or automatic power shutdown for certain systems and devices;
- air conditioning controls, with measures including requirements on lowest temperature, regular maintenance of air cooling technologies and optimal timing controls;
- actively separating waste generated from executed marketing events, in particular, the wastage produced from offline marketing projects, and making waste separation a part of our daily work;
- encouraging employees to extend the service life of products and using them as many times as possible or in multiple ways to reduce waste;

## BUSINESS

- arranging staff to recycle the tools to be used in the events, such as dashboards, name tags, carton boxes, ribbons, etc;
- actively seeking environmentally friendly products to be used in the events, such as water bottle during the hosting of marathon or dance competition with biodegradable elements;
- advocating a paperless office by encouraging employees to adopt electronic files and electronic communication technology in lieu of unnecessary paper documents;
- setting up a paper recycling bank to collect reprinted files for secondary use;
- requiring no idling vehicles running their engines;
- encouraging employees to take public transportation and advocating carpooling to reduce car usage;
- increasing employee awareness of saving water by putting water-saving slogans and propaganda within washrooms and toilets in office; and
- regularly inspecting and maintaining water supply facilities and conducting routine maintenance work on water supply facilities to reduce unnecessary waste of water.

### *Impact of ESG-related Issues and Opportunities*

Our Directors are aware of the adverse effects of global climate change on global economic and social development, and that the continuous emission of greenhouse gases will exacerbate such impacts. Climate-related risks identified by us can be divided into two major categories: physical risks and transition risks.

We define physical risks as risks that may potentially cause physical impact to us. We believe that climate-related issues may bring about risks of extreme weather events, such as more frequent storms, typhoons and floods. We may be potentially affected by increased operating and maintenance costs of infrastructure equipment and increases in insurance. The health and safety of our employees may also be threatened by extreme weather conditions.

In terms of transition risks, based on our assessment of relevant government and regulatory policies, and technology and market trends, we believe that we may be affected by increases in operating costs caused by changes in sustainable practice requirements. For example, we may need to switch to energy-efficient lighting or increase green spaces of our business premises. Increasing obligations on emission disclosure may mean increased costs to us for more stringent monitoring of emissions and resource consumption.

## BUSINESS

Other than the risks set out above, as at the Latest Practicable Date, our Directors were not aware of any other actual climate-related risks that may have a negative impact on our business, strategy or financial performance.

### *Identification, Assessment and Management of ESG-related Risks and Opportunities*

We attach great importance to managing and controlling corporate risk, and the Risk Management Team will be responsible for identifying risks and implementing risk reduction strategies. We also encourage employees at any level to identify and assess risks for our operations and communicate these risks with their supervisors or heads of relevant departments.

We have carried out targeted risk identification and impact assessment of environmental, social and climate-related risks and opportunities based on our nature of business and future development direction, and have adopted control and mitigation measures for a number of risk items, including:

- *Energy Saving.* As part of our operations, we have the opportunity to switch to energy-efficient lighting. These changes in operating practices may incur increases in operating costs.
- *Business ethics.* As part of our operations, employees may accept bribes, leak company secrets, or fail to comply with professional ethics. To mitigate this, we have established an internal management system to require all employees to abide by business ethics and undertake not to participate in any corruption, bribery, fraud, extortion and money laundering activities.
- *Employees' health and development.* Our employees may face, transportation and travel safety risks in the work environment, or may be threatened by the COVID-19 pandemic, as well as the restrictions imposed by governments and society as a whole in response. We also face the risk of training and development of our talent not being in line with our overall development strategies. We have put in place certain measures for safety of the office environment, and also formulate a talent development strategy with corresponding training systems and plans while tracking implementation of employee development plans.

## BUSINESS

### *Metrics on ESG-related Risks*

We have also assessed quantitative information that reflects our management of ESG-related risks, which includes resource consumption and greenhouse gas emissions. Greenhouse gas emissions consists of Scope 1 and Scope 2 emissions. Scope 1 direct emissions include the greenhouse gas emissions from our vehicles. Scope 2 indirect emissions include greenhouse gas emissions from the consumption of purchased electricity. The table below sets forth a summary of our resource consumption and greenhouse gas emissions for each of the period during the Track Record Period:

<b>Resource Consumption</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>4M2022</b>
Purchased electricity (kWh)	83,786	135,211	181,959	80,572
Vehicle oil (L)	28,208	31,408	26,337	6,026
<b>Emissions</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>4M2022</b>
Greenhouse gas emissions (tonnes CO <sub>2</sub> equivalent)	88	131	164	68
Scope 1 (direct emissions) (tonnes CO <sub>2</sub> equivalent)	22	25	21	5
Scope 2 (indirect emissions) (tonnes CO <sub>2</sub> equivalent)	66	106	143	63
<b>Resource consumption/ emissions per unit<sup>(1)</sup></b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>4M2022</b>
Purchased electricity per unit (kWh/RMB million)	214.3	438.4	515.0	560.3
Vehicle oil per unit (L/RMB million)	72.1	101.8	74.5	41.9
Greenhouse gas emissions per unit (tonne/RMB million)	0.22	0.42	0.46	0.47

*Note:*

(1) Calculated by resource consumption/emission divided by revenue for the period.

To better manage our environmental, social and climate-related risks, we aim to reduce our resource consumption and greenhouse gas emissions in the foreseeable future. We plan to reduce our resource consumption and greenhouse gas emissions by 3% to 5% per RMB1 million revenue by 2023.

## BUSINESS

### EMPLOYEES

As at 30 April 2022, we had 166 employees which were all located in the PRC. A breakdown of our employees by department is set forth below:

<b>Department</b>	<b>Number of employees</b>
Management	6
Finance and Administration	20
Operation and Sales	97
Research and Development	43
<b>Total</b>	<b>166</b>

We recruit our employees based on a number of factors such as our vacancy needs and expansion plans, and the candidates' work experience and educational background. We generally recruit employees by way of placing advertisements on various online employment platforms. We also utilise the services of recruitment firms primarily for senior roles hire. The recruitment firms only assist to introduce suitable personnel to us. We are the employer of these personnel and we are responsible for the salary and other employee benefits of the personnel.

Our Directors consider that our Group has maintained good relationships with our employees. We have established an employee labour union in which all our PRC employees are eligible to participate. Our labour union represents the interests of our employees and works closely with our management on labour-related issues. During the Track Record Period and up to the Latest Practicable Date, we did not have any incidents of material disruption of work, strikes or material labour disputes with our employees which have had or are likely to have a material effect on our business, financial position and results of operations.

We believe that our employees are valuable assets to our Group. As a matter of policy, we provide training for new employees that we hire. We believe such training are effective in equipping them with the skill set and work ethics we require of our employees. We also provide specialised trainings tailored to the needs of our employees in different departments. We have a scheme of performance appraisal system. Bonus may be awarded and the amount depends on the performance of the employee. In addition, we hire employees based on their merits and it is our policy to offer equal opportunities to our employees regardless of gender, age, race, religion or any other social or personal characteristics. Moreover, we appreciate the services of our employees, and care about their wellbeing.

We enter into standard employment agreements and confidentiality agreements with our employees. Our standard employment agreements contain general employment conditions such as position, location, duration, salary, termination events, etc.

## **INTELLECTUAL PROPERTY**

We regard our proprietary domain names, copyrights, software copyrights, trademarks, trade secrets, and other intellectual property, critical to our business operations. We rely on a combination of copyrights, trademarks, trade secret laws, and restrictions on disclosure to protect our intellectual property. As at the Latest Practicable Date, our Group had registered three domain names, 60 trademarks, 30 software copyrights and 47 copyrights in the PRC and one trademark in Hong Kong which we consider to be material to our business. As at the Latest Practicable Date, we have applied for the registration of one trademark in the PRC which we consider to be material to our business. Further details of our Group's material intellectual property rights are set out in the section headed "Appendix IV — Statutory and General Information — 2. Further Information About Our Business — 2.2 Intellectual property rights of our Group" in this prospectus.

As at the Latest Practicable Date, there were no material disputes in relation to infringement of our intellectual property rights and our Directors believe that we have taken reasonable measures to avoid infringement of our own IP rights. As at the Latest Practicable Date, we were not subject to any material dispute or claims for infringement upon third parties' trademarks, licences and other intellectual property rights.

### **Policies and Procedures Adopted by our Group in Relation to Intellectual Property Matters**

Our legal department is responsible for monitoring any infringement of our Group's intellectual property rights on a regular basis.

Our Group has also adopted the following policies and procedures, among others, to enhance our internal control measures over our risk of infringement of third party's intellectual property rights:

- (1) we shall establish a designated team who shall be responsible for applying and obtaining the registration of the IP rights. All of the IP registration applications and the registration process shall be managed by the designated team. The designated team is responsible for overseeing IP application and registrations conducted by third parties engaged by our Group. The designated team consists of six members and is led by the head of our legal department who has PRC legal qualifications. The team members have been with us for an average of over five years;
- (2) our legal department shall review the text, pictures and graphics used in the design/presentation for our integrated marketing solution services during the planning stages of the project to ensure that we have obtained the right and/or permission to use relevant text, pictures and graphics. In the event that we have identified the relevant text, pictures and/or graphics used in the design/presentation did not obtain the right and/or permission to use, we shall report such findings to the team responsible for the relevant project; and



## BUSINESS

- (3) in case of any suspected infringement of third party's intellectual property rights, our legal department shall immediately seek advice from external legal adviser from time to time, as and when needed.

### PROPERTIES

As at the Latest Practicable Date, our Group did not own any property and we leased the following material properties in the PRC for our operations:

No.	Address	Approximate gross floor area (sq.m)	Usage	Lease Term
1.	Unit 1214, No. 611 Sishui Road, Huli District, Xiamen City, Fujian Province (福建省廈門市湖裏區泗水道611號1214單元)	20	Office	10 January 2022 to 9 January 2023
2.	Unit 05, 28/F, Lianjie International Centre, No. 109 Binhai Street, Fengze District, Quanzhou City, Fujian Province (福建省泉州市豐澤區濱海街109號連捷國際中心28層05單元)	216.98	Office	1 March 2021 to 28 February 2029
3.	2/F, House No. 2, Houses north of East Ring Outer Road and east of Chengbei Road, Fengshou Industrial Park, Wannian County, Shangrao City, Jiangxi Province (江西省上饒市萬年縣豐收工業園區東環外綫以北、城北路以東的房屋之2棟2層) <sup>(1)</sup>	240	Office	1 June 2022 to 31 May 2025
4.	Unit 5205, 5/F, Zheshang Building, Shenka Avenue, Kashgar City, Xinjiang (新疆喀什市深喀大道總部經濟區浙商大廈五層5205號區域)	35	Office	1 June 2022 to 31 May 2023
5.	12/F, Hongxing Erke Group Building, No. 11 Hualian Road, Siming District, Xiamen City, Fujian Province (福建省廈門市思明區花蓮路11號鴻星爾克集團大廈12層) <sup>(2)</sup>	1,853.361	Office	11 May 2021 to 10 May 2024
6.	1/F of House 1, 1/F of House 2, and -1/F of House 3 of No. 35 Dongluan Hutong, Dongcheng District, Beijing (北京市東城區東條胡同35號1幢1層、2幢1層、3幢-1層)	308.97	Office and reception	1 June 2018 to 31 May 2024

## BUSINESS

No.	Address	Approximate gross floor area (sq.m)	Usage	Lease Term
7.	Room A803, Unit 308, No. 16 Yunding North Road, Huli District, Xiamen City, Fujian Province (福建省廈門市 湖裏區雲頂北路16號308單元A803) <sup>(3)</sup>	15	Office	1 July 2022 to 30 June 2023
8.	Unit 2-A-10 of House 2 of Aerospace Modern City, No. 169 Wenwei Road, Wencheng District, Wenchang City, Hainan Province (海南省文昌市文城鎮文蔚路169號航天現代城 2號樓2-A-10 室)	24	Office	1 March 2022 to 31 May 2023
9.	Unit 1025, 10/F, Zheshang Building, Shenka Avenue, Kashgar City, Xinjiang (新疆喀什市 深喀大道浙商大廈10層1025號區域)	35	Office	6 May 2022 to 5 May 2025

*Notes:*

- (1) The property was provided for our usage free of rent.
- (2) The lessor is a company which belongs to the same group company of Fujiang Hongxing Erke.
- (3) The lessor is a district office of the Xiamen city government and the property was provided for our usage free of rent.

As at the Latest Practicable Date, none of the lease agreements had been filed with the local housing administration authorities by the landlords where required under the PRC law. As advised by our PRC Legal Adviser, the non-registration of lease agreements does not affect the validity of such lease. As at the Latest Practicable Date, we had not received any notice from any regulatory authority with respect to potential administrative penalties or enforcement actions as a result of the landlord's failure to file the lease agreements described above. However, we might be ordered to rectify this non-compliance by the competent authorities and if we fail to rectify within the prescribed period, a penalty of RMB1,000 to RMB10,000 per lease agreement may be imposed on us as a result of such non-filing.

During the Track Record Period and as the Latest Practicable Date, the lessors of properties 4 and 7 above could not provide us with valid property ownership certificates and could not prove their ownership of the properties or their right to lease the properties. As advised by our PRC Legal Adviser, if the lessors do not have ownership or the right to lease out these properties, our lease agreements may be rendered void and we may be required to vacate the properties and relocate our offices. Further, the lessor of property 9 above could not provide the landlord's consent to sublet the property to us. As advised by our PRC Legal Adviser, if the lessor does not have the right to lease out the property, we may not be able to continue to use the property and may be required to vacate the property and relocate. We believe the relocation from such leased properties would not cause any material disruption to our operation because (i) such leased properties are only for office

## **BUSINESS**

use and there are only employees and some light assets such as office devices in such offices, which can be easily removed; (ii) there is sufficient supply of properties for office use in the neighbouring areas and we believe it will not incur significant time and costs to find alternative properties in such areas; and (iii) our office in other locations can adequately support our business operations in the event of temporary interruption of our offices at such leased properties. Therefore, although we may incur additional relocation costs, we believe such sum to be immaterial and is not expected to have any material impact to our business, operations or financial position.

Please refer to the section headed “Risk Factors — Risks Relating to Our Business — We may not be able to continue to use certain properties that are currently used by us or may face fines in relation to leased properties” in this prospectus for more information.

As at 30 April 2022, none of the properties leased by us had a carrying amount of 15% or more of our consolidated total assets. According to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this prospectus is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

### **COMPLIANCE**

During the Track Record Period and up to the Latest Practicable Date, there had not been any non-compliance incidents which we believe would have a material adverse impact on our business, results of operations, financial condition or reputation.

### **LEGAL PROCEEDINGS**

As at the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against us, that would have a material adverse effect on our business, financial condition or results of operations.

### **INTERNAL CONTROL MEASURES AND RISK MANAGEMENT**

We are subject to various risks during our operations, please see section headed “Risk Factors — Risks Relating to Our Business and Our Industry” in this prospectus. We have established a risk management system and relevant policies and procedures which we consider suitable for our business operations. Our policies and procedures are aimed at managing and monitoring our business performance.

## BUSINESS

To monitor the continuous implementation of risk management policies and corporate governance measures after the Listing, we have adopted or will adopt, among other things, the following risk management measures:

- establish an audit committee to review and supervise our financial reporting process and internal control system. Our audit committee consists of three members, comprising Ms. Wong Yan Ki, Angel, Ms. Wang Yingbin and Mr. Tian Tao and chaired by Ms. Wong Yan Ki, Angel whom are all independent non-executive Directors. For the qualifications and experiences of these members, please see section headed “Directors and Senior Management” in this prospectus;
- adopt various policies and systems in terms of, among others, anti-corruption, anti-money laundering, financial reporting, fixed asset and bank account management, information system maintenance, conflict of interests management; and
- put in place a whistle-blower mechanism for reporting and handling of corruptive conducts.

To ensure the compliance with the advertising laws in the PRC, we have adopted the following internal control measures:

- we have implemented certain provisions in the contracts with our customers that require them to provide us with the corresponding qualifications in relation to the advertising content to ensure the legality and compliance of the relevant laws and regulations. We also require the customers to warrant that the advertising content entrusted to us shall comply with the advertising laws and relevant laws and regulations in the PRC. Where such provisions in the contract are breached, the customer shall bear the responsibilities.
- we will review the business qualifications of our suppliers to ensure that they are in compliance with the relevant laws and regulations.
- we have implemented certain provisions in the contracts with our suppliers that require them to warrant that the provision of services or products from them are compliant with the advertising laws and relevant laws and regulations in the PRC. For certain suppliers, we require them to provide us with the proof of their relevant advertising qualifications pursuant to the contract.

## BUSINESS

To ensure prevent infringement of third party intellectual property rights on software, we have adopted the following internal control measures:

- our IT department, which serves as a centralised department, is responsible for reviewing and approving all software purchase requests from our employees and it is also responsible for management of our computer system and use of software; and
- we have established a centralised data system on our Group's software and we perform periodic reviews and checks on, among others, the adequacy of the licences purchased, and the use and management of our software.

## RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

### OUR CONTROLLING SHAREHOLDERS

Immediately following completion of the Global Offering and Capitalisation Issue (assuming that the Pre-HKIPO Loans are not converted into Shares and the Over-allotment Option and the options which may be granted under the Share Option Scheme are not exercised at all), Mr. Liu and Ms. Qu, together with their controlled entities, namely ZJJ Many Idea, Xiamen Dream Future, Many Idea Liujianhui and Many Idea Qushuo will form a group of controlling shareholders within the meaning of the Listing Rules and will be entitled to exercise aggregated voting rights of 32.2960% of the total issued share capital of our Company immediately upon the Listing.

### Information on Other Companies Owned by Our Controlling Shareholders

#### (a) *Companies Controlled by Our Controlling Shareholders and their Close Associates*

Our Group principally engages in the business of integrated marketing solutions services in the PRC. As at the Latest Practicable Date, other than the business of integrated marketing solutions services in the PRC carried out by our Group, our Controlling Shareholders and their close associates also had controlling interests in, amongst others, other companies as mentioned below.

##### (i) *Excluded Business*

Brief details of each of the companies under the Excluded Business, i.e. Xiamen Many Idea and Beijing Many Idea as described in the section headed “History, Reorganisation and Corporate Structure — Excluded Companies” in this prospectus, are set out below:

Name of company	Approximate percentage equity holding of our Controlling Shareholders and their close associate(s)
Xiamen Many Idea	44.4645%
Beijing Many Idea	100% (through Xiamen Many Idea)

Following the Business Transfer as described in the section headed “History, Corporate Structure and Reorganisation” in this prospectus, the principal business scopes of each of Xiamen Many Idea and Beijing Many Idea as at the Latest Practicable Date comprise provision of internet information and TV programme production business which require Value-added Telecommunications Service Operating Permit for Internet Information Service (互聯網信息服務《增值電信業務經營許可證》) (“**ICP Licence**”) (in respect of Xiamen Many Idea) and Radio and TV Programme Production and Operation Licence (廣播電視節目製作經營許可證) (in respect of Beijing Many Idea) (the “**Excluded Business**”), which differ from that of our Group. Our Directors are of the view that the Excluded Business and our

## RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

Group's principal business (including those at present or in the near future) are different from each other. Our Group's focus is on provision of integrated marketing services and SaaS interactive marketing services while the Excluded Business is expected to focus on development of e-commerce platform and production and distribution of online short videos and variety shows which can be clearly delineated from our Group's current business. Due to differences in principal business scopes, the Excluded Business is not in competition directly or indirectly with those of our Group. Our Directors confirm that as the business of our Group at present does not and in the near future (taking into account of the development plans of our Company as further described in the section headed "Future Plans and Use of Proceeds" in this prospectus) will not require these licences, the holding of these licences would further complicate the Reorganisation for the purpose of the Listing. Our Directors confirmed that our Group's online marketing business is part of our integrated marketing solution services which does not involve providing users with online data processing and transaction processing business or information service business under the Classification Catalogue of Telecommunication Services (2015 Edition) (the "Catalogue") through public communication networks or the internet, or carrying out any other type of value-added telecommunications business under the Catalogue, or providing services such as providing information or making web pages to internet users for a fee through the internet. As such, the businesses of our Group do not fall under the value-added telecommunication business. Further, our Directors are of the view that, the Content Engine is based on SaaS technology and it is a SaaS software system in nature, and it will provide user management SaaS services to our customers. Such businesses with the prescribed functions do not involve provision of any type of value-added telecommunications services under the Catalogue. Pursuant to the interview conducted by the PRC Legal Advisers on 3 December 2021 with Xiamen City Communications Administration 廈門市通信管理局, which, as advised by the PRC Legal Advisers, is the competent authority as to the supervision of value-added telecommunication business in Xiamen City, in view that our online marketing business and SaaS interactive marketing services provided by the Content Engine do not involve the provision of any type of value-added telecommunications services, hence the business of our Group does not fall under the Catalogue and therefore our Group does not require ICP licence to render our services to customers. As further advised by the PRC Legal Advisers, in view that our Group's production of short videos has been outsourced to third party producers and our Group does not expect to produce short videos itself in the future, there is no necessity for our Group to obtain the Radio and TV Programme Production and Operation Licence for our Company's current business (including its existing SaaS products) and future business development plans as disclosed in this prospectus (including the proposed development of SaaS products).



## RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

The original plan of Xiamen Many Idea and Beijing Many Idea under the Excluded Business comprised the development of e-commerce platform and production and distribution of online short videos and variety shows. Our Directors confirmed that the business undertaken by each of Xiamen Many Idea and Beijing Many Idea does not directly compete with the business of our Group. Our Directors consider that there is a clear delineation between the Excluded Business, and the business undertaken by our Group given the following reasons:

- (a) *Development of e-commerce platform:* In relation to the development of e-commerce platform, the expected business focus of Xiamen Many Idea and Beijing Many Idea was on sales of merchandises and derivative products. The business process involves procurement of merchandises and derivative products from suppliers for sales to individual customers at online retail level which shall fall under the scope of value-added telecommunication business and would require the ICP licence for provision of such service. As our Group does not possess the ICP licence and our customers are mainly corporate customers opting for integrated marketing solutions services, while the operation of e-commerce platform requires the ICP licence and the target customers of Xiamen Many Idea and Beijing Many Idea under e-commerce platform are individual customers shopping online, there is a material difference in terms of business model and the end-customers.
- (b) *Distribution of online short videos and variety shows:* In relation to the distribution of online short videos and variety shows, the expected business focus of Xiamen Many Idea and Beijing Many Idea was to produce short videos and variety shows from scratch to becoming an end product for sale to online video platforms and major TV channels for broadcasting and distribution of such short videos through online channels which requires the Radio and TV Programme Production and Operation Licence. In terms of its major suppliers, they include production crew, actors and production-related service and equipment providers, and in terms of customers, those major customers primarily include top online video platforms, major TV channels or advertising companies which are also different from our Group's major customers and suppliers.

Although our Group's digital content marketing and digital marketing services might also involve short videos as one of the distribution media, our Group itself has not engaged in production of short videos in the past and currently does not possess the requisite resources and licence to produce such short videos. On the other hand, short videos were only included as a part of our Group's services package and the production of such short videos has been outsourced to third party producer(s), which are required to possess relevant licence (including the Radio and TV Programme Production and Operation Licence) for such production. Therefore, the business focus of Xiamen Many Idea and Beijing Many Idea is different from those undertaken by our Group, i.e., integrated marketing solutions.

## RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

As advised by the PRC Legal Advisers having conducted due diligence, our Directors confirmed, and the Sole Sponsor concurred, that save for Mr. Xue Lining, the PRC Legal Advisers are not aware that (a) Xiamen Many Idea or Beijing Many Idea has been the subject of any material non-compliant incidents, claims, litigation or legal proceedings (whether actual or threatened) since their establishment and up to the date of completion of the Business Transfer, i.e. 1 December 2021; and (b)(1) the historical and existing substantial shareholders of Xiamen Many Idea and Beijing Many Idea who held or hold more than 5% (inclusive) of equity interests or shares of Xiamen Many Idea and Beijing Many Idea as at the date of completion of Business Transfer; and (b)(2) the historical and existing directors and senior management of Xiamen Many Idea and Beijing Many Idea as at the date of Business Transfer, have been the subject of any material non-compliant incidents, claims, litigation or legal proceedings (whether actual or threatened) during the period when they held position as shareholder, director or senior management in Xiamen Many Idea or Beijing Many Idea (as the case may be). To the best knowledge of our Directors having made all reasonable enquiries, as at the Latest Practicable Date, both Xiamen Many Idea and Beijing Many Idea were still at the preparation stage and have yet commenced the Excluded Business, and these companies have not incurred any expenses of material nature. Further, as at the Latest Practicable Date, no staff was employed by Xiamen Many Idea and Beijing Many Idea and thus no salaries expenses were incurred.

Our Directors have considered that it is either unnecessary or not in the best interest of our Group to include the Excluded Business in our Group for the purpose of Listing as our Group would focus on the principal business of integrated marketing solutions services in the PRC. As at the Latest Practicable Date, each of Xiamen Many Idea and Beijing Many Idea has (i) amended their respective business scopes to the extent that such business scope will not overlap with that of our Group; and (ii) changed the name of Xiamen Many Idea and Beijing Many Idea to exclude the reference of “多想” and “Many Idea”.

(ii) *Interests in the PRC Company Held by Mr. Liu*

Quanzhou Tuoda Anjie Trading Co., Ltd.\* (泉州拓達安捷商貿有限公司) (“**Quanzhou Tuoda**”), a company established under the laws of the PRC with limited liability on 16 November 2007, is a wholesale and retail company. Quanzhou Tuoda was wholly owned by Mr. Liu since its incorporation. During the Track Record Period, Quanzhou Tuoda has not carried out any business activities and the equity interests in Quanzhou Tuoda is neither directly nor indirectly held by our Group. As such, our Directors believe that there is no competition between Quanzhou Tuoda and us. Our Directors have also considered that it is either unnecessary or not in the best interest of our Group to include Quanzhou Tuoda in our Group for the purpose of Listing in order for our Group to focus on the principal business of integrated marketing solutions services in the PRC. As of the Latest Practicable Date, Quanzhou Tuoda has been deregistered.

## RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

*(b) Other Companies of which our Controlling Shareholders and their Close Associates are Substantial Shareholder*

As at the Latest Practicable Date, Mr. Liu and Ms. Qu hold 17.0729% interests in Xiamen Vision through their control over Xiamen Many Idea. As at the Latest Practicable Date, Mr. Liu and Ms. Qu hold 9.0909% interests in Xiamen Advertising through their control over Xiamen Many Idea. Each of Xiamen Advertising's and Xiamen Vision's intended principal business activities include, amongst others, value-added telecommunication services with its ICP licence. As advised by our Controlling Shareholders having made all reasonable enquiries, amongst others, Xiamen Vision and Xiamen Advertising intended to engage in infrastructural and engineering works in connection with production of advertisements in public transports areas (the "**Intended Business**") and as at the Latest Practicable Date, both Xiamen Vision and Xiamen Advertising have commenced the Intended Business involving production of multimedia advertisement on metro platform screen door which is still at trial stage. For the three years ended 31 December 2021, (i) Xiamen Vision generated revenue amounted to nil, nil and approximately RMB16.69 million and recorded net loss amounted to approximately RMB1.24 million, RMB900 and RMB2.15 million, in connection with its business of sales of equipment in connection with advertisement broadcasting systems for metro; and (ii) Xiamen Advertising generated revenue of nil, nil and approximately RMB6.01 million and recorded net loss of approximately RMB1.70 million, RMB2.87 million and RMB1.30 million, also in connection with its business of sales of equipment in connection with advertisement broadcasting systems for metro.

Our Directors confirmed that the business undertaken by each of Xiamen Advertising and Xiamen Vision does not directly compete with the business of our Group. Our Controlling Shareholders did not and have no intention to include such companies in our Group because other shareholders of each of Xiamen Vision and Xiamen Advertising did not agree to these companies to be included in our Group for the purpose of the Listing, in view that these two companies are operating business which are subject to foreign ownership investment limitation and it is not appropriate for their interests to be directly or indirectly held by offshore entities. Our Controlling Shareholders also consider that engaging in infrastructural and engineering works in connection with production of advertisements in public transports, which are currently undertaken by Xiamen Advertising and Xiamen Vision, does not constitute competing business with our Group, given that while certain of our Group's products and services, for instance, media advertising, where we typically assist our customers to place the advertisements on traditional advertising channels such as television and outdoor public advertising resources (such as buses and trains, elevators, and public transport stations), would make use of these media channels, our Group's services do not involve in infrastructural works of such channels which forms the business of Xiamen Vision and Xiamen Advertising. While our Group would provide suggestions on site selections for placing the advertisements, these sites typically pre-exist and does not involve material infrastructural and engineering change. In terms of customers, while our Group's customers are those with need of marketing solution services, our Controlling Shareholders consider that customers of Xiamen Advertising and Xiamen Vision are those advertising companies, or companies looking for infrastructural and engineering work in

## RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

connection with production of advertisement infrastructure, whereas our Group's customers look for integrated marketing solutions including advertisement content to satisfy their marketing and advertising need. Based on the above, our Controlling Shareholders confirmed that there are no overlapping customers between (i) each of Xiamen Vision and Xiamen Advertising, and (ii) our Group. Therefore, the businesses of Xiamen Vision and Xiamen Advertising and our Group are not competing with each other.

Our Company has obtained confirmation from each of Xiamen Advertising and Xiamen Vision, undertaking not to engage in any business that will be competing with our Group's business. Further, in order to manage conflict of interests arising from the possible competition of business between (a) our Group; and (b) Xiamen Advertising and Xiamen Vision (if any), the following safeguards have been in placed:

- (i) No members of the senior management of our Company (including executive Directors) are and will participate in the management of Xiamen Vision and Xiamen Advertising; our Controlling Shareholders shall remain as passive investors in these companies only;
- (ii) There are no overlapping directorships between (1) our Company and its subsidiaries and (2) Xiamen Advertising and Xiamen Vision;
- (iii) When the members of the Board cast doubt on the potential conflict of interests, external professional independent consultants (including but not limited to legal advisors and business consultants) can be engaged at the cost of our Company to advise on the independent non-executive Directors on how to manage the conflicts of interests appropriately;
- (iv) We have a "Conflict of Interest Management Policy" in place to manage and monitor any potential conflicts of interest at the managerial level. The audit department is responsible for coordinating the daily management of conflicts of interest. In particular, the audit department will review and approve the conflict of interest declaration of the management team of our Company and will take appropriate measures to investigate/inspect and determine the possible conflict of interests. The results of the conflict review will be reported to the Audit Committee for final approval and determination; and
- (v) Our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expenses.

As our Group has adopted a strict system to separate risks and to manage the conflict of interests and we also have strengthened our ability to deal with sensitive information and to prevent unregulated circulation of internal information among our Shareholders, clients and working staff, we believe that those information protection measures could help to effectively diminish the conflict of interests as the business develops.

## RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

In light of the above as well as the non-competition undertaking to be given by our Controlling Shareholder as described in the paragraph headed “Deed of Non-competition” below, we believe that there is no competition issue to be arisen between those companies and us.

### INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently from our Controlling Shareholders and his/her/its close associates after the Listing.

#### Management Independence

Our Board comprises five executive Directors and three independent non-executive Directors. Although Mr. Liu and Ms. Qu are our executive Directors and also our Controlling Shareholders, our management and operational decisions are made by all our executive Directors and senior management, most of whom have served our Group for a long time and all of whom have substantial experience in the industry in which we are engaged and/or in their respective fields of expertise. The balance of power and authority is ensured by the operation of the senior management and our Board. Please refer to the section headed “Directors and Senior Management” in this prospectus for further details.

Each of our Directors is aware of his/her fiduciary duties as a director which require, among other things, that he/she must act for the benefit of and in the best interests of our Company and does not allow any conflict between his/her duties as a director and his/her personal interests to exist. In addition, we believe that our independent non-executive Directors can bring independent judgement to the decision-making process of our Board.

Based on the above, our Directors are satisfied that the Board as a whole, together with our senior management team, is able to perform the managerial role in our Group independently.

#### Operational Independence

Our Directors consider that our operations do not depend on our Controlling Shareholders and their respective close associates based on the following reasons:

- (a) our Group has established an organisational structure made up of individual departments, each with specific areas of responsibilities;
- (b) our Group has not shared any operational resources, such as office premises, sales and marketing and general administration resources with our Controlling Shareholders and their respective close associates, or any companies controlled by our Controlling Shareholders;
- (c) our Group has established a set of internal controls to facilitate the effective operation of our business; and

## RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

- (d) our Controlling Shareholders or their close associates have no interest in any of our top five customers and suppliers and we have independent access to customers and suppliers.

### Financial Independence

We have our own accounting and finance department and independent financial system and make financial decisions according to our own business needs. We also have our own treasury function and independent access to third party financing. During the Track Record Period, certain bank borrowings were secured by personal guarantees provided by Mr. Liu and Ms. Qu, our Controlling Shareholders, in favour of our Group. As at the Latest Practicable Date, there were no such guarantees and indemnities provided to our Group by our Controlling Shareholders. Further, our Group's amount due to related parties were nil, nil, RMB130.3 million and nil as at 31 December 2019, 2020 and 2021 and 30 April 2022, respectively. Amount due to related parties as at 31 December 2021 mainly represented the payment due to Xiamen Many Idea and Beijing Many Idea as a result of the Business Transfer. As at the Latest Practicable Date, all the amount due to related parties have been fully settled. Please refer to the sections headed "Appendix I — Accountants' Report — 33. Borrowings" and "Appendix I — Accountants' Report — 41. Related Party Disclosures" to this prospectus for further details.

In view of our Group's internal resources and the estimated net proceeds from the Global Offering, our Directors believe that our Group will have sufficient capital for its financial needs without dependence on our Controlling Shareholders. Our Directors further believe that, upon the Listing, our Group is capable of obtaining financing from external sources independently without the support of our Controlling Shareholders.

### DEED OF NON-COMPETITION

As mentioned in this section above, our Group could not obtain consent from the controlling shareholders and other equity owners of Xiamen Advertising and Xiamen Vision to include Mr. Liu's interests in Xiamen Advertising and Xiamen Vision in our Group.

To avoid possible competition between our Group and Xiamen Advertising or Xiamen Vision after Listing, our Controlling Shareholders entered into the Deed of Non-competition on 12 October 2022 in favour of our Company (for ourselves and as trustee for each of our subsidiaries from time to time), under which each of our Controlling Shareholders has irrevocably and unconditionally undertaken to our Company that they shall not, and shall procure that none of their respective close associates and/or companies controlled by them (other than members of our Group) shall, during the Restricted Period (as defined below), directly or indirectly, either on their own account, in conjunction with, on behalf of, or through any person, firm or company, for profit or not, among other things, carry on, engage, invest, be interested or involved or engaged in, acquire or hold any rights or interest (in each case whether as a shareholder, partner, agent, consultant, employee or otherwise and whether for profit, reward or otherwise) in any business of integrated marketing solutions services in the PRC and such



## RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

other parts of the world where any member of our Group may operate from time to time or other related business which our Group may undertake from time to time after the Listing (the “**Restricted Business**”).

The Deed of Non-competition does not apply to the relevant Controlling Shareholder in the circumstances where it/he has:

- (a) any interest in the shares or other securities of any member of our Group from time to time; or
- (b) interest in the shares of a company other than our Group provided that:
  - (i) such shares are listed on a recognised stock exchange; and
  - (ii) the aggregate interest (as construed in accordance with the provisions contained in Part XV of the SFO) of the relevant Controlling Shareholders and its/his/her close associates do not amount to more than 5% of the relevant share capital (individually or any of the Controlling Shareholders with their close associates collectively) of the company concerned (the “**Relevant Company**”), provided that (a) the shareholding of any one holder (and its/his/her associates, if applicable) in the Relevant Company is more than that of our Controlling Shareholder and its/his/her close associates in aggregate at any time; and (b) the total number of the representatives of our Controlling Shareholder or its/his/her close associates on the board of directors of the Relevant Company is not significantly disproportionate with respect to his/her/its shareholding in the Relevant Company, save for Xiamen Advertising and Xiamen Vision; or
- (c) in respect of Xiamen Advertising and Xiamen Vision, interest in Xiamen Advertising or Xiamen Vision does not amount to more than 30% of the relevant share capital (individually, or any of the Controlling Shareholders with their close associates collectively) of the company concerned.

The “Restricted Period” stated in the Deed of Non-competition refers to the period during which:

- (a) the Shares remain listed on the Hong Kong Stock Exchange (other than suspension of trading of the Shares for any other reason); or
- (b) our Controlling Shareholders and their respective close associates, individually or jointly, remain to be deemed as controlling shareholder (within the meaning as defined in the Listing Rules from time to time) and/or a Director of our Company.



## RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

In respect of Xiamen Many Idea and Beijing Many Idea, while it is not in the best interests of our Company and our Shareholders as a whole to keep the licences for the Excluded Business, our Controlling Shareholders believed that keeping these licences for Xiamen Many Idea and Beijing Many Idea might facilitate the business operation of the Excluded Business on their own in the future, and that would allow these companies to take part in the operation of the Excluded Business when the suitable opportunities arise. To protect our Group's interests, in the event that our Group requires these licences for operations in the future, our Controlling Shareholders have undertaken to our Group that they shall either (i) dispose of Xiamen Many Idea and/or Beijing Many Idea (as the case may be) under the applicable laws and regulations to our Group at a fair consideration based on independent valuation; or (ii) procure Xiamen Many Idea and/or Beijing Many Idea (as the case may be) to cease their relevant business operation.

### CORPORATE GOVERNANCE MEASURES

Our Directors believe that there are adequate corporate governance measures in place to manage potential conflict of interest after the Listing. In particular, we will implement the following measures:

- (i) as part of our preparation for the Global Offering, we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provides that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his close associates has a material interest nor shall such Director be counted in the quorum present at the meeting;
- (ii) a Director with material interests shall make full disclosure in respect of matters that conflict or potentially conflict with our interest and absent himself from the Board meetings on matters in which such Director or any of his close associates have a material interest, unless the attendance or participation of such Director at such meeting of the Board is specifically requested by a majority of the independent non-executive Directors;
- (iii) we are committed that our Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors). We have appointed three independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business and/or other relationship which could interfere in any material manner with the exercise of their independent judgement and will be able to provide an impartial and external opinion to protect the interests of our public Shareholders. Please refer to the section headed "Directors and Senior Management — Directors — Independent non-executive Directors" in this prospectus for further details of our independent non-executive Directors;
- (iv) our Controlling Shareholders undertake to provide all information requested by our Group which is necessary for the annual review by our independent non-executive Directors;

## RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

- (v) in the event that our independent non-executive Directors are requested to review any conflicts of interests circumstances between our Group on one hand and our Controlling Shareholder(s) and/or our Directors on the other, our Controlling Shareholder(s) and/or our Directors shall provide our independent non-executive Directors with all necessary information and our Company shall disclose the decisions of our independent non-executive Directors either through its annual report or by way of announcements; and
- (vi) we have appointed Zhongtai International Capital Limited as our compliance adviser, which will, upon our consultation, provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules, including various Listing Rules requirements relating to directors' duties and corporate governance.

### NON-DISPOSAL UNDERTAKINGS BY OUR SHAREHOLDERS

Each of our Controlling Shareholders has, jointly and severally, undertaken to each of the Sole Sponsor and the Sole Representative (for itself and on behalf of the other Hong Kong Underwriters) that none of them would dispose of their Shares held as of the Listing Date during the period commencing from the Listing Date to the 24-month anniversary from the Listing Date. For further information, please refer to the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Undertakings to the Hong Kong Stock Exchange pursuant to the Listing Rules — (B) Undertakings by the Controlling Shareholders" in this prospectus.

Our Shareholders as at the Latest Practicable Date and their respective ultimate beneficial owners (other than our Controlling Shareholders) have undertaken to each of our Company and the Sole Sponsor that none of them would dispose of their Shares held as of the Listing Date during the First Six-Month Period and the Second Six-Month Period (as defined in the section headed "Underwriting" of this prospectus), save for Wu Maogao and BKDR (Hong Kong) Company Limited (寶凱道融(香港)有限公司) who have undertaken to each of our Company and the Sole Sponsor that they would not dispose of their respective Shares held as of the Listing Date during the First Six-Month Period (as defined in the section headed "Underwriting" of this prospectus).

## DIRECTORS AND SENIOR MANAGEMENT

### DIRECTORS

Our Board consists of five executive Directors and three independent non-executive Directors. It is responsible for and has general powers for the management and conduct of our business.

The day-to-day operations of our Group are supervised and carried out by our executive Directors with the assistance of our senior management.

The following table sets out some information in respect of our Directors:

Name	Age	Position	Date of joining our Group	Date of appointment as a Director	Main roles and responsibilities	Relationship with other Directors and senior management (other than that through or relating to our Group)
<b>Executive Directors</b>						
Mr. Liu Jianhui (劉建輝先生)	36	Chairman of the Board, chief executive officer and executive Director	May 2012	10 June 2021	Overall management and strategic planning of our Group	Spouse of Ms. Qu
Ms. Qu Shuo (曲碩女士)	36	Executive Director	March 2013	22 December 2021	Supervising daily operation of our Group	Spouse of Mr. Liu
Ms. Huang Tingting (黃婷婷女士)	37	Executive Director	July 2016	22 December 2021	Overall management and strategic planning of our Group	None
Mr. Chen Shancheng (陳善成先生)	40	Executive Director	March 2017	22 December 2021	Analysis and planning of business strategy, looking for investment and acquisition opportunities for our Group	None
Mr. Chen Zeming (陳澤銘先生)	33	Executive Director	May 2012	22 December 2021	Overseeing projects planning and operation of our Group	None

## DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position	Date of joining our Group	Date of appointment as a Director	Main roles and responsibilities	Relationship with other Directors and senior management (other than that through or relating to our Group)
<b>Independent Non-executive Directors</b>						
Ms. Wang Yingbin (王穎彬女士)	47	Independent non-executive Director	12 October 2022	12 October 2022	Supervising the management of our Group and providing independent judgement to our Board	None
Ms. Wong Yan Ki, Angel (黃欣琪女士)	50	Independent non-executive Director	12 October 2022	12 October 2022	Same as above	None
Mr. Tian Tao (田濤先生)	64	Independent non-executive Director	12 October 2022	12 October 2022	Same as above	None

### Executive Directors

**Mr. Liu Jianhui (劉建輝先生)**, aged 36, is the Chairman of the Board, the chief executive officer, an executive Director, one of the Controlling Shareholders and co-founder of our Group. He was appointed as our Director on 10 June 2021. He was appointed as a director in Xiamen Many Idea since May 2012. Mr. Liu is responsible for the overall management and strategic planning of our Group. He is the spouse of Ms. Qu. Mr. Liu is a director of each of Jiangxi Meita, Xiamen Second Future, Xinjiang Kashi, Beijing Many Idea and Quanzhou Many Idea. Mr. Liu is personally interested in 17,957,329 Shares, representing approximately 40.1232% of the total issued share capital of our Company through Many Idea Liujianhui and Xiamen Dream Future as at the Latest Practicable Date. For details, please refer to the sections headed “Substantial Shareholders” in this prospectus and “Appendix IV — Statutory and General Information — 3. Further Information about our Directors and Substantial Shareholders — 3.1 Disclosure of Interests — 3.1.1. Interests and short positions of our Directors and the chief executive in the shares, underlying shares or debentures of our Company and our associated corporations” in this prospectus.

Mr. Liu graduated from Huaqiao University\* (華僑大學), the PRC with a bachelor’s degree in information management and system in June 2008, where he acquired and accumulated knowledge and experience in certain areas in integrated marketing services with the use of information management system. Further, since the establishment of Xiamen Many Idea, Mr. Liu has gained experience in operation of business of integrated marketing services through, amongst others, organising large scale events such as concerts of popular singers and other marketing events. Mr. Liu has completed advanced study courses in PBC School of Finance, Tsinghua University (清華大學五道口金融學院)

## DIRECTORS AND SENIOR MANAGEMENT

including (i) PBC School of Finance, Tsinghua University Industry and Finance CEO Training Programme (清華大學五道口產融CEO培養項目), and (ii) Cultural and Creative Financial Leadership Programme (文創金融領袖項目). Mr. Liu is also pursuing another advanced study course in PBC School of Finance, Tsinghua University (清華大學五道口金融學院) in relation to Scientific Entrepreneur Programme (科學企業家課程).

In March 2017, Mr. Liu received the Annual Industry Contribution Award from Federation of Regional PR Agencies in China\* (中國公共關係行業區域聯盟). Further, in November 2017, he received the 2017 Social Network Marketing Leader from Advertiser\* (廣告主傳媒) for his outstanding achievements and contributions in the field of domestic social network marketing.

Mr. Liu was a director and/or general manager (as the case may be) of the following companies prior to their respective dissolution:

Name of company	Place of incorporation	Position	Nature of business	Date of dissolution	Means of dissolution	Reason for dissolution
Horgos Langya Culture Communication Co., Ltd.* (霍爾果斯浪雅文化傳播有限公司)	PRC	Executive director and general manager	Providing advertising, media, event planning and promotion services	11 December 2018	Deregistration	Ceased to carry out business
Quanzhou Tuoda Anjie Trading Co., Ltd.* (泉州拓達安捷商貿有限公司)	PRC	Executive director	A wholesale and retail company	24 February 2022	Deregistration	Ceased to carry out business

Mr. Liu confirmed that he has not been involved in any dispute with the above companies' creditors, shareholders and directors in respect of the respective dissolution, that the above companies have been deregistered or dissolved with no outstanding liability or claim in relation thereto and were solvent at the time of respective dissolution, that the respective dissolution of the companies had not resulted in any liability or obligation being imposed against him, that his involvement in the above companies was in relation to his appointment as director of each entity and that no misconduct or misfeasance on his part had been involved in the respective dissolution.

**Ms. Qu Shuo (曲碩女士)**, aged 36, is an executive Director and one of the Controlling Shareholders. She was appointed as our Director on 22 December 2021. Ms. Qu joined our Group as a director (總監) for resources department in Xiamen Many Idea from March 2013 to September 2015. She was further redesignated as the vice president of our Group since March 2021. Ms. Qu is primarily responsible for supervising daily operation of our Group. She is the spouse of Mr. Liu. Ms. Qu is personally interested in 110,427 Shares, representing approximately 0.2467% of the total issued share capital of our Company through Many Idea Qushuo as at the Latest Practicable Date. For details, please refer to the sections headed "Substantial Shareholders" in this prospectus and "Appendix IV —

## DIRECTORS AND SENIOR MANAGEMENT

Statutory and General Information — 3. Further Information about our Directors and Substantial Shareholders — 3.1 Disclosure of Interests — 3.1.1. Interests and short positions of our Directors and the chief executive in the shares, underlying shares or debentures of our Company and our associated corporations and 3.1.2. Interests of our Substantial Shareholders” in this prospectus.

Prior to joining our Group, from May 2009 to February 2013, Ms. Qu served as a customer service supervisor of Quanzhou Taicheng Zhizun Automobile Service Co., Ltd.\* (泉州泰成致尊汽車服務有限公司), a company principally engaged in sales of imported and domestic manufactured vehicles, provision of vehicles rental and after-sales services.

Ms. Qu obtained her bachelor’s degree in marketing in June 2008 from Huaqiao University\* (華僑大學), the PRC, where she acquired and accumulated knowledge and experience in certain areas in marketing, and a certificate of international investment and financing and capital operation from Xiamen University\* (廈門大學), the PRC in July 2017. Further, since the establishment of Xiamen Many Idea, Ms. Qu has gained further experience in operation of business of integrated marketing services through, amongst others, organising large scale events such as concerts of popular singers and other marketing events.

Ms. Qu was a supervisor of the following companies prior to their respective dissolution:

Name of company	Place of incorporation	Position	Nature of business	Date of dissolution	Means of dissolution	Reason for dissolution
Jiangxi Many Idea Culture Communication Co., Ltd.* (江西省多想文化傳播有限公司)	PRC	Supervisor	Providing event planning, advertising and promotion services	23 September 2015	Deregistration	Ceased to carry out business
Fujian Many Idea Culture Communication Co., Ltd.* (福建省多想文化傳播有限公司)	PRC	Supervisor	Providing event planning, advertising and promotion services	25 September 2015	Deregistration	Ceased to carry out business

Ms. Qu confirmed that she has not been involved in any dispute with the above companies’ creditors, shareholders and directors in respect of the respective dissolution, that the above companies have been deregistered or dissolved with no outstanding liability or claim in relation thereto and were solvent at the time of respective dissolution, that the respective dissolution of the companies had not resulted in any liability or obligation being imposed against her, that her involvement in the above companies was in relation to her appointment as supervisor of each entity and that no misconduct or misfeasance on her part had been involved in the respective dissolution.

## DIRECTORS AND SENIOR MANAGEMENT

**Ms. Huang Tingting (黃婷婷女士)**, aged 37, is an executive Director. She was appointed as our Director on 22 December 2021. Ms. Huang joined our Group as a chief executive officer in July 2016 and appointed as a director of Xiamen Many Idea in October 2016. Ms. Huang is primarily responsible for supervising the overall management and strategic planning of our Group. Ms. Huang is interested in 1,057,341 Shares, representing approximately 2.3625% of the total issued share capital of our Company through Many Idea Huangtingting Limited as at the Latest Practicable Date. For details, please refer to the section headed “Appendix IV — Statutory and General Information — 3. Further Information about our Directors and Substantial Shareholders — 3.1 Disclosure of Interests — 3.1.1. Interests and short positions of our Directors and the chief executive in the shares, underlying shares or debentures of our Company and our associated corporations” in this prospectus.

Ms. Huang served in various positions of Doyen Media\* (東娛(福建)文化傳媒有限公司) from May 2011 to July 2016 including planning director, deputy general manager and general manager, where she acquired and accumulated knowledge and experience in certain areas in integrated marketing services through, for example, participating in marketing related projects including star agency works, media communication services and production of performance shows.

Ms. Huang graduated from Huaqiao University\* (華僑大學), the PRC with a bachelor’s degree in international economy and trading in July 2007. She further obtained a master’s degree in business administration from a joint programme held by Peking University\* (北京大學) and Vlerick Business School (弗萊瑞克商學院\*) in the PRC in January 2020.

**Mr. Chen Shancheng (陳善成先生)**, aged 40, is an executive Director. He was appointed as our Director on 22 December 2021. Mr. Chen SC joined our Group as a financial controller in March 2017. He was subsequently appointed as a director of Xiamen Many Idea on 10 June 2019 and an investment director in March 2021. Mr. Chen SC is primarily responsible for analysis and planning of business strategy, looking for investment and acquisition opportunities for our Group. Mr. Chen SC is interested in 1,057,341 Shares, representing approximately 2.3625% of the total issued share capital of our Company through Many Idea ChenShancheng Limited as at the Latest Practicable Date. For details, please refer to the section headed “Appendix IV — Statutory and General Information — 3. Further Information about our Directors and Substantial Shareholders — 3.1 Disclosure of Interests — 3.1.1. Interests and short positions of our Directors and the chief executive in the shares, underlying shares or debentures of our Company and our associated corporations” in this prospectus.

Prior to joining our Group, from August 2011 to June 2014, Mr. Chen SC served as a financial controller of A’ba State Zhonghe New Energy Co., Ltd.\* (阿壩州眾和新能源有限公司) (formerly known as A’ba Prefecture Minfeng Lithium Industry Co., Ltd. \* (阿壩州閩鋒鋰業有限公司)) and Malkang Jinxin Mining Co., Ltd. (馬爾康金鑫礦業有限公司), a subsidiary of A’ba State Zhonghe New Energy Co., Ltd. Mr. Chen SC gained his strategic planning and investment experience through, for example, participating in certain investment projects involving negotiations, building financial models and reviewing financial statements of target activities and assets.



## DIRECTORS AND SENIOR MANAGEMENT

From July 2014 to August 2015, Mr. Chen SC worked as a financial controller in Hengxing Gold Holding Company Limited\* (恆興黃金控股有限公司) (a company listed on the Hong Kong Stock Exchange up to January 2021 (former stock code: 2303)), a gold producer where he was responsible for, amongst others, exploring business and investment opportunities and reviewing investment projects with a view to recommending appropriate investment and planning decisions. From August 2015 to February 2017, he worked as a general manager in Xiamen Deep Century Investment Management Partnership (Limited Partnership)\* (廈門市深度世紀投資管理合夥企業(有限合夥)), an investment management partnership firm.

Mr. Chen SC obtained his bachelor's degree in accounting and master's degree in master of professional accounting from Xiamen University\* (廈門大學), the PRC in July 2004 and June 2014, respectively. He is currently pursuing doctorate degree in business administration from a joint programme held by Shanghai Jiao Tong University\* (上海交通大學) and Singapore Management University (新加坡管理大學\*) in the PRC.

Mr. Chen SC was a supervisor of the following company prior to its dissolution:

Name of company	Place of incorporation	Position	Nature of business	Date of dissolution	Means of dissolution	Reason for dissolution
Xiamen Chaoyi Queyin Trading Co., Ltd.* (廈門朝怡鵲印貿易有限公司)	PRC	Supervisor	Wholesale of clothing and daily necessities	31 October 2018	Deregistration	Ceased to carry out business

Mr. Chen SC confirmed that he has not been involved in any dispute with the above company's creditors, shareholders and directors in respect of the dissolution, that the above company has been deregistered or dissolved with no outstanding liability or claim in relation thereto and was solvent at the time of dissolution, that the dissolution of the company had not resulted in any liability or obligation being imposed against him, that his involvement in the above company was in relation to his appointment as supervisor of each entity and that no misconduct or misfeasance on his part had been involved in the dissolution.

**Mr. Chen Zeming (陳澤銘先生)**, aged 33, is an executive Director. He was appointed as our Director on 22 December 2021. Mr. Chen ZM joined our Group and responsible for project management in May 2012. He was appointed as a director of Xiamen Many Idea in September 2015. Mr. Chen ZM is primarily responsible for overseeing projects planning and operation of our Group. Mr. Chen ZM is interested in 137,293 Shares, representing approximately 0.3068% of the total issued share capital of our Company through Many Idea ChenZeming Limited as at the Latest Practicable Date. For details, please refer to the section headed "Appendix IV — Statutory and General Information — 3. Further Information about our Directors and Substantial Shareholders — 3.1 Disclosure of Interests — 3.1.1. Interests and short positions of our Directors and the chief executive in the shares, underlying shares or debentures of our Company and our associated corporations" in this prospectus.

## DIRECTORS AND SENIOR MANAGEMENT

Mr. Chen ZM holds diploma degree in advertising design and production from Quanzhou Huaguang Vocational College of Photography and Art\* (泉州華光攝影藝術職業學院), the PRC in June 2011. Shortly after graduation, Mr. Chen ZM joined our Group and was responsible for project management in May 2012. Since joining our Group, Mr. Chen ZM has further acquired experience in operation of business of integrated marketing services through, amongst others, organising large scale events such as concerts of popular singers and other marketing events. Mr. Chen ZM graduated from Communication University of China\* (中國傳媒大學), the PRC with a bachelor's degree in business management in July 2021 through distance learning.

### Independent non-executive Directors

**Ms. Wang Yingbin (王穎彬女士) ("Ms. Wang")**, aged 47, was appointed as an independent non-executive Director on 12 October 2022.

Since August 2011, Ms. Wang has been served as a senior engineer at School of Life Sciences of Xiamen University (廈門大學) in the PRC. Since December 2018 and January 2019, Ms. Wang has served as a union president and a senior engineer at School of Public Health of Xiamen University (廈門大學) in the PRC, respectively.

Ms. Wang has served as an independent non-executive director of Fujian Sanmu Group Co., Ltd. (福建三木集團股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 000632)), Xiamen Solex High-tech Industries Co., Ltd. (廈門松霖科技股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 603992)) and Xiamen Yanjan New Material Co., Ltd\* (廈門延江新材料股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 300658), since June 2019, May 2020 and August 2021, respectively.

Ms. Wang graduated from Third Institute of Oceanography, Ministry of Natural Resources\* (自然資源部第三海洋研究所), the PRC with a master's degree in marine biology in August 2001.

**Ms. Wong Yan Ki, Angel (黃欣琪女士) ("Ms. Wong")**, aged 50, was appointed as an independent non-executive Director on 12 October 2022.

Ms. Wong has more than 25 years of experience in corporate finance and capital market activities. Ms. Wong has been an independent non-executive director of Betta Pharmaceuticals Co., Ltd.\* (貝達藥業股份有限公司) (a company listed on Shenzhen Stock Exchange (stock code: 300558)) since January 2021, and an independent non-executive director of Bit Mining Limited (比特礦業有限公司) (formerly known as 500.com Limited (500彩票網有限公司)) (a company listed on New York Stock Exchange with ticker symbol: BTCM) since November 2015. Ms. Wong has been the president and executive director of Advanced Capital Limited (匯財資本有限公司) since November 2007, where she provides consultancy services for both listed companies and companies preparing for listing.

Previously, Ms. Wong served as an independent non-executive director of Hengxing Gold Holding Company Limited\* (恆興黃金控股有限公司) (a company listed on the Hong Kong Stock Exchange up to January 2021 (former stock code: 2303)) from March 2013 to February 2021.

## DIRECTORS AND SENIOR MANAGEMENT

Ms. Wong has been admitted as fellow member of CPA Australia (澳洲會計師公會) since May 2017, fellow member (FIPA, Australia) of the Institute of Public Accountants (澳大利亞公共會計師協會) since April 2015, member of the Hong Kong Institute of Directors (香港董事學會) since November 2014, full member of the Society of Registered Financial Planners (註冊財務策劃師協會) in Hong Kong since November 2003, and fellow member of the Institute of Financial Accountants (英國財務會計師公會) in the United Kingdom since October 2003.

Ms. Wong obtained a bachelor's degree in international accounting from Xiamen University\* (廈門大學) in the PRC in July 1994, a postgraduate certificate in professional accounting from the City University of Hong Kong (香港城市大學) in Hong Kong in November 2000 and a master's degree in executive MBA from Cheung Kong Graduate School of Business\* (長江商學院) in the PRC in October 2009.

Ms. Wong was a director of the following company within 12 months prior to its dissolution:

Name of company	Place of incorporation	Position	Nature of business	Date of dissolution	Means of dissolution	Reason for dissolution
深圳彩瓷軒餐飲管理有限公司 (Shenzhen Caicixuan Catering Management Co., Ltd.*)	The PRC	Director (up to March 2013)	Catering	January 2014	Deregistration	No business operation prior to dissolution

Ms. Wong confirmed that she has not been involved in any dispute with the above company's creditors, shareholders and directors in respect of the dissolution, that the above company has been deregistered or dissolved with no outstanding liability or claim in relation thereto and was solvent at the time of dissolution, that the dissolution of the company had not resulted in any liability or obligation being imposed against her, that her involvement in the above company was in relation to her appointment as director of such entity and that no misconduct or misfeasance on her part had been involved in the dissolution.

**Mr. Tian Tao (田濤先生) ("Mr. Tian")**, aged 64, was appointed as an independent non-executive Director on 12 October 2022.

From February 1999 to November 2015, Mr. Tian was the vice general manager of CVSCTNS Research Co Ltd (央視市場研究股份有限公司). From November 2015 to June 2017, he was the president of Zhongguang Xincheng Information Technology Co., Ltd.\* (中廣信誠信息科技股份有限公司). From July 2017 to August 2018, he was the president of the Beijing office of Nielsen-CCData Media Research Services Co., Ltd.\* (尼爾森網聯媒介數據服務有限公司北京分公司). Since September 2018, he has been serving as the president of Zhongguang Rongxin Media Consulting (Beijing) Co., Ltd.\* (中廣融信媒介諮詢(北京)有限公司). Mr. Tian has served as an independent non-executive director of Icon Culture Global Company Limited\* (天泓文創國際集團有限公司) (a company listed on the GEM of the Hong Kong Stock Exchange (stock code: 8500)) since December 2019.

## DIRECTORS AND SENIOR MANAGEMENT

Mr. Tian was a director of the following company which was established in the PRC prior to its dissolution. The relevant details are as follows:

Name of company	Nature of business before dissolution	Date of dissolution	Means of dissolution
Shanghai Zhongpeng Information Technology Co., Ltd.* (上海鐘鵬信息科技有限公司)	Technology development and consultation	27 February 2018	Deregistration

Mr. Tian confirmed that the above-mentioned company had remained solvent and had no outstanding liabilities on or before its dissolution, and has not been involved in any material non-compliant incidents, claims, litigations or legal proceedings and there were no claims against himself in relation to the dissolution of above-mentioned company.

### Disclosure Required Under Rule 13.51(2) of the Listing Rules

Save as disclosed above, none of our Directors:

- (i) held any other positions in our Company or other members of our Group as at the Latest Practicable Date;
- (ii) had any other relationship with any Directors, senior management or Substantial Shareholders or Controlling Shareholders of our Company as at the Latest Practicable Date;
- (iii) held any other directorships in listed public companies in Hong Kong or overseas in the three years prior to the Latest Practicable Date; and
- (iv) save as disclosed in the sections headed “Substantial Shareholders” in this prospectus and “Appendix IV — Statutory and General Information — 3. Further Information about our Directors and Substantial Shareholders — 3.1 Disclosure of Interests — 3.1.1. Interests and short positions of our Directors and the chief executive in the shares, underlying shares or debentures of our Company and our associated corporations and — 3.1.2 Interests of our Substantial Shareholders” to this prospectus, he/she does not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed in this section, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders and there was no information relating to our Directors that is required to be disclosed under Rule 13.51(2) of the Listing Rules as at the Latest Practicable Date.

## DIRECTORS AND SENIOR MANAGEMENT

### SENIOR MANAGEMENT

The following table sets out some information in respect of our senior management:

Name	Age	Position	Date of joining our Group	Main roles and responsibilities	Relationship with other Directors and senior management (other than that through or relating to our Group)
Ms. Wang Bifeng (王碧風女士)	35	Financial controller	March 2017	Overseeing accounting and financial management of our Group	None
Ms. Zhang Yan (張燕女士)	37	Deputy general manager	September 2016	Overall strategic planning, business direction and operational management	None
Mr. Huang Xihuang (黃希煌先生)	41	Director for research and development	July 2018	Development and implementation of technological strategies, and management of the research team and system	None

**Ms. Wang Bifeng (王碧風女士) (“Ms. Wang”)**, aged 35, is our financial controller, and is primarily responsible for overseeing accounting and financial management of our Group. Ms. Wang joined us in March 2017, and had served as a deputy finance manager until March 2021 before she was redesignated as the position of financial controller.

From September 2009 to August 2016, Ms. Wang served as a financial manager of Empereur\* (華祥苑茶業股份有限公司), a company principally engaged in business of processing refined tea.

Ms. Wang obtained a college degree in computerised accounting from Xiamen Huatian International Vocation Institute\* (廈門華天涉外職業技術學院), the PRC in July 2009. Ms. Wang graduated from Xiamen University\* (廈門大學), the PRC with a bachelor’s degree in accounting in December 2016 through distance learning.

Ms. Wang does not have any current or past directorship in any listed companies in the last three years prior to the Latest Practicable Date.

## DIRECTORS AND SENIOR MANAGEMENT

**Ms. Zhang Yan (張燕女士) (“Ms. Zhang”)**, aged 37, is our deputy general manager, and is primarily responsible for overall strategic planning, business direction and operational management of our Group. Ms. Zhang is interested in 248,358 Shares, representing approximately 0.5549% of the total issued share capital of our Company through Many Idea ZhangYan Limited as at the Latest Practicable Date. For details, please refer to the section headed “History, Reorganisation and Corporate Structure” in this prospectus.

Ms. Zhang joined our Group as a deputy director (副總監) for human resources and general administrative in Xiamen Many Idea in September 2016. Ms. Zhang was appointed as the deputy general manager of our Group in January 2021. Prior to joining our Group, Ms. Zhang was a head of shipping department in Xiamen Longyun Shipping Co., Ltd.\* (廈門隆運船務有限公司) from July 2006 to November 2013. Ms. Zhang worked at Fujian Sinotrans Shipping Agency Co., Ltd. Xiamen Branch\* (福建中外運船務代理有限公司廈門分公司) from December 2014 to April 2016, with her last position as head of accounting.

Ms. Zhang obtained her college diploma in international trade from Xiamen University of Technology\* (廈門理工學院), the PRC in July 2006.

Ms. Zhang does not have any current or past directorship in any listed companies in the last three years prior to the Latest Practicable Date.

**Mr. Huang Xihuang (黃希煌先生) (“Mr. Huang”)**, aged 41, is our director for research and development, and is primarily responsible for development and implementation of technological strategies, and management of the research team and system of our Group.

Mr. Huang joined our Group and has been appointed as a director for technical department since November 2018. Prior to joining our Group, Mr. Huang was the research and development engineer and at Xiamen Yaxon Networks Co., Ltd.\* (廈門雅迅網絡股份有限公司) from April 2006 to March 2011. From June 2011 to March 2018, he was employed as a research and development engineer by Lenovo Mobile Internet Technology (Xiamen) Co., Ltd.\* (摩托羅拉移動互聯科技(廈門)有限公司) (formerly known as Lenovo Mobile Internet Technology (Xiamen) Co., Ltd.\* (聯想移動互聯科技(廈門)有限公司)).

Mr. Huang obtained his bachelor’s degree in communication engineering in June 2003 and his master’s degree in information and communication engineering in March 2006 from Zhejiang University\* (浙江大學), the PRC. He further received a master’s degree in business management from Xiamen University\* (廈門大學), the PRC in June 2017. He obtained a qualification certificate of senior engineer, specialist in electronic engineering, from Fujian Human Resources and Social Security Bureau\* (福建省人力資源和社會保障廳) in October 2017.

Mr. Huang does not have any current or past directorship in any listed companies in the last three years prior to the Latest Practicable Date.



## DIRECTORS AND SENIOR MANAGEMENT

### COMPANY SECRETARY

**Ms. Tang Wing Shan Winza (鄧穎珊) (“Ms. Tang”)**, joined our Group as our company secretary on 21 January 2022. Ms. Tang is the assistant vice president of the governance services of Computershare Hong Kong Investor Services Limited (香港中央證券登記有限公司), a professional corporate secretarial service provider in Hong Kong. She has more than 10 years of experience in company secretarial services.

Ms. Tang holds a bachelor’s degree in laws awarded by City University of Hong Kong (香港城市大學), Hong Kong and a master’s degree in corporate governance awarded by London South Bank University in the United Kingdom. She is an associate member of both the Hong Kong Chartered Governance Institute (formerly known as the Hong Kong Institute of Chartered Secretaries) and the Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators).

### BOARD COMMITTEES

Our Board has established the Audit Committee, the Remuneration Committee and the Nomination Committee and delegated various responsibilities to these committees, which assist our Board in discharging its duties and overseeing particular aspects of our Group’s activities.

#### **Audit Committee**

Our Company established an audit committee pursuant to a resolution of our Directors passed on 12 October 2022 with written terms of reference in compliance with Rules 3.21 to 3.23 of the Listing Rules and the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules. The Audit Committee comprises three independent non-executive Directors: Ms. Wong Yan Ki, Angel, Ms. Wang Yingbin and Mr. Tian Tao, respectively. Ms. Wong Yan Ki, Angel was appointed to serve as the chairman of the Audit Committee, holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee are mainly to make recommendations to the Board on the appointment and dismissal of the external auditor, review the financial statements and information and provide advice in respect of financial reporting and oversee the internal control procedures of our Company.

#### **Remuneration Committee**

Our Company established a remuneration committee pursuant to a resolution of our Directors passed on 12 October 2022 with written terms of reference in compliance with Rules 3.25 to 3.27 of the Listing Rules and the CG Code. The Remuneration Committee comprises three independent non-executive Directors: Ms. Wang Yingbin, Ms. Wong Yan Ki, Angel and Mr. Tian Tao, respectively. Ms. Wang Yingbin was appointed as the chairman of the Remuneration Committee. The primary functions of the Remuneration Committee are to make recommendations to the Board on the overall remuneration policy and the structure relating to all Directors and senior management of our Group, review performance-based remuneration and ensure none of our Directors is in a position to determine their own remuneration.



## DIRECTORS AND SENIOR MANAGEMENT

### **Nomination Committee**

Our Company established a nomination committee pursuant to a resolution of our Directors passed on 12 October 2022 with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the CG Code. The Nomination Committee comprises three independent non-executive Directors: Mr. Tian Tao, Ms. Wang Yingbin and Ms. Wong Yan Ki, Angel, respectively. Mr. Tian Tao was appointed as the chairman of the Nomination Committee. The primary functions of our Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations to the Board on any proposed changes to the Board to complement our Company's corporate strategy; identify individuals suitably qualified as potential Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; assess the independence of our independent non-executive Directors; and make recommendations to the Board on the appointment or reappointment of Directors and succession planning of Directors, in particular that of the Chairman and the chief executive.

### **BOARD DIVERSITY POLICY**

To enhance the effectiveness of our Board and to maintain the high standard of corporate governance, we have adopted the board diversity policy which sets out the objective and approach to achieve and maintain diversity of our Board. Pursuant to our board diversity policy, we seek to achieve board diversity by taking into consideration of various factors, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service with our Company.

Our Board comprises four female Directors and four male Directors with a balanced mix of knowledge and skills, including knowledge and experience in the areas of information technology, creative media, business and operations management, investment management, accounting and financial management. They obtained degrees in various major including marketing, advertising design and production, business management and accounting. Our Company values gender diversity and will continue to take steps to promote gender diversity at all levels of our Company, including but without limitation at the Board and senior management levels. After due consideration, our Board believes that based on the meritocracy of our Directors, the composition of our Board satisfies our Board Diversity Policy.

Our Nomination Committee is responsible for ensuring the diversity of our Board and compliance with relevant codes governing board diversity under the Corporate Governance Code. Our Nomination Committee will review the board diversity policy and our diversity profile (including gender balance) from time to time to ensure its continued effectiveness. We will also disclose in our corporate governance report about the implementation of the board diversity policy on an annual basis. Upon Listing, it is expected that our Board would comprise four male Directors and four female Directors. We target to maintain our gender ratio of at least one-third of our Board being female Directors in the future.

## DIRECTORS AND SENIOR MANAGEMENT

We are also committed to adopting similar approach to promote diversity at all other levels of our Company from the Board downwards to enhance the effectiveness of our corporate governance as a whole.

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Our Company will comply with the CG Code sets out in Appendix 14 to the Listing Rules. Our Directors will review our corporate governance policies and compliance with the CG Code each financial year and comply with the “comply or explain” principle in our corporate governance report which will be included in our annual reports upon the Listing.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Liu currently holds both positions. Since establishment of our Group in 2012, Mr. Liu has been key leadership figure of our Group who has been deeply involved in the formulation of business strategies and determination of the overall direction of our Group. He has also been chiefly responsible for our Group’s operations as he directly supervises our Directors (other than himself) and members of our senior management. Taking into account the continuation of the implementation of our business plans, our Directors (including our independent non-executive Directors) consider Mr. Liu the best candidate for both positions and the present arrangements are beneficial to and in the interests of our Company and our Shareholders as a whole.

Our Directors will review our corporate governance policies and compliance with the CG Code each financial year and comply with the “comply or explain” principle in our corporate governance report which will be included in our annual reports upon the Listing.

### AUTHORISED REPRESENTATIVES

Mr. Liu, our executive Director and Ms. Tang Wing Shan Winza (鄧穎珊), our company secretary are the authorised representatives of our Company.

### DIRECTORS’ AND SENIOR MANAGEMENT’S REMUNERATION

The aggregate amounts of compensation paid by our Company (including salaries, allowances, discretionary bonus, contributions to pension schemes) to our Directors for 2019, 2020 and 2021 and four months ended 30 April 2022 were approximately RMB2.4 million, RMB2.7 million, RMB3.3 million and RMB1.2 million, respectively. Under the arrangement and pursuant to our Directors’ service contracts and letters of appointment referred to in the section headed “Appendix IV — Statutory and General Information — 3. Further Information about our Directors and Substantial Shareholders — 3.2 Directors’ service contracts and letters of appointment” to this prospectus, the aggregate amount of Directors’ fee and other emoluments payable to our Directors (excluding any discretionary bonuses) and benefits in kind receivable by our Directors for the year ending 31 December 2022 is estimated to be approximately RMB3.9 million.

## DIRECTORS AND SENIOR MANAGEMENT

The five highest paid individuals for 2019, 2020 and 2021 and four months ended 30 April 2022, included three, three, three and four Directors, respectively, whose remunerations are included in the aggregate amount of remuneration set out above. For 2019, 2020 and 2021 and four months ended 30 April 2022, the aggregate amount of remuneration (including salaries, allowances, discretionary bonus, contributions to pension schemes) for the remaining two, two, two and one highest paid individuals who are not Directors of our Group were approximately RMB1.3 million, RMB0.9 million, RMB0.8 million and RMB0.2 million, respectively.

### REMUNERATION POLICY

Our Group's principal policies concerning remuneration of Directors or staff of high calibre are determined based on the relevant Director's or staff's duties, responsibilities, experience and skills. Our Directors and senior management receive compensation in the form of salaries, benefits in kind and/or discretionary bonuses relating to the performance of our Group. Our Company also reimburses them for expenses which are necessarily and reasonably incurred for providing services to our Company or executing their functions in relation to our operations. Our Company regularly reviews and determines the remuneration and compensation packages of our Directors and senior management. Our Company regularly provides discretionary bonuses to our senior management and key employees as incentive.

Our Company has conditionally adopted the Share Option Scheme on 12 October 2022 to enable our Group to grant options to selected participants as incentives or rewards for their contribution to our Group. Please see the section headed "Appendix IV — Statutory and General Information — 3. Further Information about our Directors and Substantial Shareholders — 3.5. Share Option Scheme" to this prospectus for further details of the Share Option Scheme.

After Listing, our Remuneration Committee will review and determine the remuneration and compensation packages of our Directors and senior management with reference to salaries paid by comparable companies, time commitment and responsibilities of our Directors and performance of our Group.

During the Track Record Period, no remuneration was paid by our Company to, or received by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company. No compensation was paid by our Group to, or received by, our Directors, past Directors or the five highest paid individuals during the Track Record Period for the loss of any office in connection with the management of the affairs of any members of our Group. None of our Directors waived or agreed to waive any emoluments during the Track Record Period.

### STAFF

We recognise the importance of having a good relationship with our employees. The remuneration payable to the employees include salaries and allowances.

We have not experienced any significant problems with the recruitment and retention of experienced employees. In addition, we have not suffered from any material disruption of our normal business operations as a result of labour disputes or strikes.

## DIRECTORS AND SENIOR MANAGEMENT

### COMPLIANCE ADVISER

In accordance with Rule 3A.19 of the Listing Rules, we have appointed Zhongtai International Capital Limited as the compliance adviser (the “**Compliance Adviser**”). The Compliance Adviser will provide us with guidance and advice as to compliance with the requirements under the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, we will consult with and, if necessary, seek advice from the Compliance Adviser in the following circumstance:

- (i) before the publication of any regulatory announcement, circular, or financial report;
- (ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (iii) where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where the business activities, development or results of our Group deviate from any forecast, estimate or other information in this prospectus; and
- (iv) where the Hong Kong Stock Exchange makes an inquiry to us regarding unusual movements in the price or trading volume of our Shares.

The term of appointment of the Compliance Adviser shall commence on the Listing Date and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date.

## SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the Capitalisation Issue and the Global Offering (assuming that the Pre-HKIPO Loans are not converted into Shares and the Over-allotment Option is not exercised), the following persons will have interests or short position in Shares or underlying Shares of our Company which would be required to be disclosed to our Company and the Hong Kong Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Capacity/ Nature of Interest	Shares held as of the date of this prospectus		Immediately following the completion of the Global Offering (assuming that the Pre-HKIPO Loans are not converted into Shares) <sup>(2)</sup>		Immediately following the completion of the Global Offering (assuming that the Pre-HKIPO Loans were converted into Shares) <sup>(3)</sup>	
		Number of Shares/ interests held	Approximate percentage of shareholding	Number of Shares/ interests held	Approximate percentage of shareholding	Number of Shares/ interests held	Approximate percentage of shareholding
Mr. Liu	Interest in controlled corporation <sup>(4)</sup>	9,122,949	20.3840%	130,457,399	16.3072%	130,457,399	15.8630%
	Interest in controlled corporation <sup>(5)</sup>	8,834,380	19.7392%	126,330,885	15.7914%	126,330,885	15.3613%
	Interest of spouse <sup>(7)</sup>	110,427	0.2467%	1,579,097	0.1974%	1,579,097	0.1920%
Ms. Qu	Interest of spouse <sup>(7)</sup>	9,122,949	20.3840%	130,457,399	16.3072%	130,457,399	15.8630%
	Interest of spouse <sup>(7)</sup>	8,834,380	19.7392%	126,330,885	15.7914%	126,330,885	15.3613%
	Interest in controlled corporation <sup>(6)</sup>	110,427	0.2467%	1,579,097	0.1974%	1,579,097	0.1920%
ZJJ Many Idea	Interest in controlled corporation <sup>(5)</sup>	8,834,380	19.7392%	126,330,885	15.7914%	126,330,885	15.3613%
Many Idea Liu Jianhui	Beneficial owner <sup>(4)</sup>	9,122,949	20.3840%	130,457,399	16.3072%	130,457,399	15.8630%
Xiamen Dream Future	Beneficial owner <sup>(5)</sup>	8,834,380	19.7392%	126,330,885	15.7914%	126,330,885	15.3613%
Many Idea Qushuo	Beneficial owner <sup>(6)</sup>	110,427	0.2467%	1,579,097	0.1974%	1,579,097	0.1920%

*Notes:*

- All interests stated are long positions.
- The calculation for the percentage of interest in our Company is based on the total number of 800,000,000 Shares in issue immediately following the completion of the Global Offering and assuming that the Pre-HKIPO Loans are not converted into Shares, the Over-allotment Option is not exercised and without taking into account any Shares which may be issued upon the exercise of any options granted or to be granted under the Share Option Scheme.
- The calculation for the percentage of interest in our Company is based on the total number of 822,399,345 Shares in issue immediately following the completion of the Global Offering and assuming that the Pre-HKIPO Loans were converted into Shares, the Over-allotment Option is not exercised and without taking into account any Shares which may be issued upon the exercise of any options granted or to be granted under the Share Option Scheme.

## SUBSTANTIAL SHAREHOLDERS

4. The said Shares were held in the name of Many Idea Liujianhui. The entire issued share capital of Many Idea Liujianhui is wholly owned by Mr. Liu. Accordingly, Mr. Liu is deemed to be interested in such number of Shares held by Many Idea Liujianhui by virtue of the SFO.
5. The said Shares were held in the name of Xiamen Dream Future. Xiamen Dream Future is owned as to 90% by ZJJ Many Idea, 9.9% by Mr. Liu and 0.1% by Ms. Qu. ZJJ Many Idea is owned as to 99% by Mr. Liu and 1% by Ms. Qu. Accordingly, ZJJ Many Idea is deemed to be interested in such number of Shares held by Xiamen Dream Future by virtue of the SFO.
6. The said Shares were held in the name of Many Idea Qushuo. The entire issued share capital of Many Idea Qushuo is wholly owned by Ms. Qu. Accordingly, Ms. Qu is deemed to be interested in such number of Shares held by Many Idea Qushuo by virtue of the SFO.
7. As Mr. Liu is the spouse of Ms. Qu and vice versa, and they are each deemed under the SFO to be interested in the Shares directly held by each other.

Save as disclosed above, our Directors are not aware of any person who will, immediately following completion of the Capitalisation Issue and the Global Offering, have interests or short positions in Shares or underlying Shares which will be required to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of SFO or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company and/or any of our subsidiaries.

## SHARE CAPITAL

### SHARE CAPITAL

The following is a summary of the authorised and issued share capital of our Company as at the date of this prospectus and immediately after completion of the Global Offering and the Capitalisation Issue:

<i>Number</i>		<i>HK\$</i>
<i>Authorised share capital:</i>		
<u>10,000,000,000</u>	Shares	<u>1,000,000</u>
 <i>Issued and to be issued and fully paid or credited as fully paid:</i>		
44,755,510	Shares in issue as at the Latest Practicable Date and as at the date of this prospectus	4,475.5510
595,244,490	Shares to be issued pursuant to the Capitalisation Issue	59,524.4490
160,000,000	Shares to be issued pursuant to the Global Offering	16,000
<b>Subtotal</b>		<b><u>80,000</u></b>
22,399,345	Maximum number of Shares to be converted under Pre-HKIPO Loans	2,239.9345
24,000,000	Maximum number of Shares to be issued pursuant to the Over-allotment Options	2,400
80,000,000	Maximum number of Shares to be issued pursuant to the Share Option Scheme	8,000
<b>Subtotal</b>		<b><u>12,639.9345</u></b>
<b>Total</b>		<b><u>92,639.9345</u></b>



## SHARE CAPITAL

The above table assumes the Global Offering becomes unconditional and the issue of Shares pursuant to the Global Offering is made as described herein. It does not take into account any Shares which may be allotted and issued or repurchased by our Company under the general mandates for the allotment and issue or repurchase of Shares granted to our Directors.

### MINIMUM PUBLIC FLOAT

Pursuant to Rule 8.08(1)(a) of the Listing Rules, at the time of Listing and at all times thereafter, our Company must maintain the minimum prescribed percentage of 25% of the total number of issued Shares of our Company in the hands of the public (as defined in the Listing Rules).

### RANKING

The Offer Shares and the Shares which may be issued under the Over-allotment Option or conversion of Shares pursuant to the Pre-HKIPO loans or upon the exercise of any options which may be granted under the Share Option Scheme will rank equally with all of the Shares now in issue or to be issued, and will qualify for all dividends or other distributions declared, made or paid on the Shares after the date of this prospectus, except for entitlement under the Capitalisation Issue.

### SHARE OPTION SCHEME

Our Company has conditionally adopted the Share Option Scheme. A summary of the principal terms of the Share Option Scheme is set out in the paragraph 3.5. under “Appendix IV — Statutory and General Information” to this prospectus.

### GENERAL MANDATE TO ISSUE SHARES

Subject to the Global Offering becoming unconditional, our Directors have been granted the Issuing Mandate to allot, issue and deal in a total number of Shares of not more than the aggregate of:

- (i) 20% of the total number of Shares in issue immediately following completion of the Capitalisation Issue and the Global Offering, but excluding any Shares which may be issued upon the exercise of the Over-allotment Option and the conversion of Shares pursuant to the Pre-HKIPO Loans and any option that may be granted under the Share Option Scheme; and
- (ii) the total number of our Shares repurchased by our Company (if any) pursuant to the Repurchase Mandate.

## SHARE CAPITAL

The Issuing Mandate does not apply to situations where our Directors allot, issue or deal in Shares by way of a rights issue, scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or in part of any dividend in accordance with the Articles, or pursuant to the exercise of any subscription or conversion rights attaching to any warrants or any securities which are convertible into Shares, or pursuant to the exercise of any options that may be granted under the Share Option Scheme, or under the Global Offering or the Capitalisation Issue or upon the exercise of the Over-allotment Option or pursuant to share conversion under the Pre-HKIPO Loans. Our Directors may, in addition to the Shares which they are authorised to issue under the Issuing Mandate, allot, issue and deal in Shares pursuant to a rights issue, the exercise of subscription rights attaching to any warrants of our Company, scrip dividends or similar arrangements or the exercise of any options that may be granted under the Share Option Scheme or any other option scheme or similar arrangement for the time being adopted.

The Issuing Mandate will expire upon the earliest occurrence of any of the following:

- at the conclusion of our next annual general meeting;
- on the date by which our next annual general meeting is required by the Articles or any applicable laws to be held; or
- when the authority given to our Directors is revoked or varied by an ordinary resolution passed by our Shareholders in general meeting.

For further details of the Issuing Mandate, please see paragraph 1.3. under “Appendix IV — Statutory and General Information” to this prospectus.

### **GENERAL MANDATE TO REPURCHASE SHARES**

Subject to the Global Offering becoming unconditional, our Directors have been granted the Repurchase Mandate to exercise all the powers of our Company to repurchase Shares with an aggregate number of Shares of not more than 10% of the total number of Shares in issue immediately following completion of the Capitalisation Issue and the Global Offering, but excluding any Shares that may be issued upon the exercise of the Over-allotment Option, Shares that will be issued pursuant to the Pre-HKIPO Loans and any option that may be granted under the Share Option Scheme.

The Repurchase Mandate only relates to repurchases made on the Stock Exchange, or on any other stock exchange on which the Shares are listed (and which is recognised by the SFC and the Stock Exchange for this purpose), and which are made in accordance with all applicable laws and regulations and the Listing Rules. A summary of the relevant requirements under the Listing Rules is set out in paragraph 1.7. under “Appendix IV — Statutory and General Information” to this prospectus.

## SHARE CAPITAL

The Repurchase Mandate will expire upon the earliest occurrence of any of the following:

- at the conclusion of our next annual general meeting;
- on the date by which our next annual general meeting is required by the Articles or any applicable laws to be held; or
- when the authority given to our Directors is revoked or varied by an ordinary resolution passed by our Shareholders in general meeting.

For further details of the Repurchase Mandate, see paragraph 1.7. under “Appendix IV — Statutory and General Information” to this prospectus.

### **CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED**

Our Company has only one class of shares, namely ordinary Shares, each of which ranks pari passu with the other Shares. The circumstances under which general meetings are required are provided in the Articles. Detailed information on the Articles is set forth in the section headed “Appendix III — Summary of the Constitution of our Company and Cayman Companies Act” to this prospectus.

## FINANCIAL INFORMATION

*You should read the following discussion in conjunction with the consolidated financial statements included in the Accountants' Report and the notes thereto included in Appendix I to this prospectus and the selected historical financial information and operating data included elsewhere in this prospectus. The consolidated financial statements have been prepared in accordance with HKFRSs.*

*Our historical results do not necessarily indicate results expected for any future periods. The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results may differ from those anticipated in these forward-looking statements as a result of any number of factors, including those set out in the sections headed "Forward-looking Statements" and "Risk Factors" in this prospectus.*

### OVERVIEW

We provide integrated marketing solutions services mainly in the PRC to a large base of customers, with particular success in the fast moving consumer goods, footwear and apparel and real estate industries. Our integrated marketing solutions services consist of five types of marketing services, namely (i) content marketing; (ii) SaaS interactive marketing; (iii) digital marketing; (iv) public relations event planning; and (v) media advertising.

We have been successful in event content marketing projects and we are a PRC event content marketing services company. For each year/period during the Track Record Period, revenue from content marketing services accounted for approximately 63.7%, 57.7%, 53.2% and 57.4% of our total revenue for 2019, 2020, 2021 and 4M2022, respectively.

For each year/period during the Track Record Period, our revenue amounted to RMB391.0 million, RMB308.4 million, RMB353.3 million and RMB143.8 million, respectively. Please refer to the paragraph headed "— Key Components of Our Consolidated Statements of Profit or Loss — Revenue" in this section of this prospectus for details of the breakdown of our revenue by our different marketing service segments.

### BASIS OF PRESENTATION

Our Company is an investment holding company. Immediately prior to the Reorganisation, our business was carried out by Xiamen Many Idea and its subsidiaries (the "Xiamen Many Idea Group") which were under the common control of Mr. Liu and Ms. Qu.

On 30 November 2021, Xiamen Many Idea and its subsidiary, Beijing Many Idea as transferors and Xiamen Instant Interactive as transferee entered into the Business Transfer Agreement, to transfer the rights, debts, obligations, assets and liabilities attached to the integrated marketing solutions services (including content marketing, SaaS interactive marketing, digital marketing, public relations event planning and media advertising) carried on by Xiamen Many Idea and Beijing Many Idea, for a consideration of RMB370 million. The consideration represented the deemed distributions to the Controlling

## FINANCIAL INFORMATION

Shareholders and the non-controlling interests in relation to the Business Transfer at the date of the Business Transfer. The Business Transfer was completed on 1 December 2021 and the consideration was fully settled on 30 January 2022.

The designated assets and liabilities of Xiamen Many Idea and Beijing Many Idea set out below were not transferred to Xiamen Instant Interactive as at 1 December 2021 and were treated as a deemed distribution of assets to and assumption of liabilities by Controlling Shareholders in connection with the Reorganisation:

*RMB'000*

Distribution of assets to and assumptions of liabilities by Controlling Shareholders:	
<b>Financial assets at FVTOCI</b>	<b>62,558</b>
• Equity investments in Xiamen Vision	56,034
• Equity investments in Xiamen Advertising	6,524
<b>Prepayment, deposits and other receivables</b>	<b>2,791</b>
• Value-added tax recoverable	2,769
• Deposits for lease rented by Xiamen Many Idea	15
• Deposits for lease rented by Beijing Many Idea	7
<b>Income tax payables</b>	<b>(12,463)</b>
• Income tax payables attributed to Xiamen Many Idea	(12,320)
• Income tax payables attributed to Beijing Many Idea	(143)
<b>Other payables and accruals</b>	<b>(53)</b>
<b>Amounts due to investees</b>	<b>(2,200)</b>
<b>Borrowings</b>	<b>(52,210)</b>
	<b>(1,577)</b>

In relation to the above assets and liabilities which were not transferred to Xiamen Instant Interactive, they can be categorised as (i) tax related items; (ii) restricted business related items; (iii) lease related items; and (iv) borrowings.

Tax related items include (i) value-added tax recoverable of RMB2.8 million; (ii) income tax payables attributed to Xiamen Many Idea and Beijing Many Idea of RMB12.5 million; and (iii) other payables and accruals of RMB53,000 representing other tax payables of Xiamen Many Idea and Beijing Many Idea. As advised by our PRC Legal Advisers, these tax related items were not transferrable under the relevant PRC tax laws and regulations.

Restricted business related items include (i) the equity investments in Xiamen Vision and Xiamen Advertising by Xiamen Many Idea of RMB62.6 million; and (ii) amounts due to investees of RMB2.2 million representing amounts payable to Xiamen Vision by Xiamen Many Idea for its equity investment in Xiamen Vision. As advised by our PRC Legal Advisers, given both of Xiamen Vision and Xiamen Advertising possess the ICP licences and foreign companies are restricted from holding such licences which are considered as restricted business, these restricted business related items were not transferrable under the relevant PRC laws and regulations.

## FINANCIAL INFORMATION

Lease related items refer to deposits for leases rented by Xiamen Many Idea and Beijing Many Idea. As the leases were for the registered addresses of Xiamen Many Idea and Beijing Many Idea, those were not considered relevant to the transferred businesses and therefore were not transferred to Xiamen Instant Interactive.

Borrowings represent the borrowings by Xiamen Many Idea from banks which were not assigned to Xiamen Instant Interactive. As most of such bank borrowings were due to expire shortly after the Business Transfer in December 2021 or January 2022 and it would be unduly cumbersome to transfer those borrowings to Xiamen Instant Interactive given any such transfer would typically require consent from the lenders, those bank borrowings were not transferred to Xiamen Instant Interactive. As at the Latest Practicable Date, all of such borrowings had been fully repaid.

In view of the above, our Directors are of the view, and the Sole Sponsor concurs, that all assets and liabilities and the financial results attributable to the integrated marketing solutions services (save for the non-transferable items with details as set out above) for each of the periods comprising the Track Record Period were properly included in the Accountants' Report set out in Appendix I to this prospectus.

The companies now comprising our Group were under the common control of Mr. Liu and his spouse, Ms. Qu, immediately before and after the completion of the Reorganisation. Accordingly, the Historical Financial Information has been prepared on a consolidated basis by applying the principles of merger method of accounting as if the Reorganisation had been completed at the beginning of the Track Record Period. Please refer to the section headed "History, Reorganisation and Corporate Structure" in this prospectus for further information of the Reorganisation.

Accordingly, our consolidated statements of profit or loss and other comprehensive income, our consolidated statements of changes in equity and our consolidated statements of cash flows for the years ended 31 December 2019, 2020 and 2021 and the four months ended 30 April 2022 have included the results, changes in equity and cash flows of the companies now comprising our Group from the earliest date presented or since their respective dates of incorporation, whichever was shorter, as if the current group structure had been in existence throughout the Track Record Period. Our consolidated statements of financial position as at 31 December 2019, 2020 and 2021 and 30 April 2022 have been prepared to present the assets and liabilities of the companies now comprising our Group as if the current group structure had been in existence at those dates. No adjustment is made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation.

The Historical Financial Information of our Group has been prepared by applying the accounting policies in conformity with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants, which are effective for our Group's accounting period beginning on 1 January 2022 throughout the Track Record Period.

## FINANCIAL INFORMATION

As advised by our Directors, each of Xiamen Many Idea and Beijing Many Idea has not conducted any business other than the business of our Group during the Track Record Period and up to the completion of the Business Transfer (i.e., 1 December 2021) and therefore the entire business conducted by Xiamen Many Idea and its subsidiaries, including Beijing Many Idea were transferred to our Group pursuant to the Business Transfer. Accordingly, the Historical Financial Information reported under the Accountants' Report has been prepared on a combined basis by applying the principles of merger method of accounting including the financial performance of Xiamen Many Idea and Beijing Many Idea since the commencement of the Track Record Period (i.e., 1 January 2019). To the best knowledge of our Directors having made all reasonable enquiries, as at the Latest Practicable Date, both Xiamen Many Idea and Beijing Many Idea were still at the preparation stage and have yet to commence the Excluded Business, and these companies have not incurred any expenses of material nature.

### FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, financial position and results of operations have been, or maybe expected to be in the future, significantly affected by a number of factors, many of which may be beyond our control. A discussion of certain of these key factors is set out below.

#### Prospect and Performance of the Industries of Our Customers

During the Track Record Period, our integrated marketing solutions services relied on customers from fast moving consumer goods, footwear and apparel and real estate industries. For each year/period during the Track Record Period, our revenue generated from our customers in the fast moving consumer goods industry amounted to RMB170.8 million, RMB144.5 million, RMB178.6 million and RMB68.4 million, which accounted for approximately 43.7%, 46.9%, 50.5% and 47.6% of our total revenue for the respective periods. For the same periods, our revenue generated from our customers in the footwear and apparel industry amounted to RMB107.8 million, RMB68.8 million, RMB108.0 million and RMB43.2 million, which accounted for approximately 27.6%, 22.3%, 30.6% and 30.0% of our total revenue, respectively. For the same periods, our revenue generated from our customers in the real estate industry amounted to RMB43.4 million, RMB41.8 million, RMB48.9 million and RMB17.3 million, which accounted for approximately 11.1%, 13.5%, 13.8% and 12.0% of our total revenue, respectively.

Given that the majority amount of our revenue came from customers in these industries, any downturn in these industries in the PRC may have a material adverse impact on our business, prospects, financial condition and/or results of operations. Please refer to the section headed "Risk Factors — Risks Relating to Our Business and Our Industry — We rely on our customers from the fast moving consumer goods, footwear and apparel and real estate industries and any adverse development in these industries may impact us" in this prospectus for further information.



## FINANCIAL INFORMATION

### Impact of COVID-19 Outbreak on Our Business Operations

As a result of various lockdown restrictions during COVID-19 outbreak in the PRC, marketing services businesses in China has been affected in different ways with offline events being negatively affected while online marketing services experienced a significant growth. For 2020, three and 15 of our content marketing and public relations event planning projects had been delayed or cancelled, respectively. Our revenue in 2020 declined by approximately 21.1% compared to 2019. Our business started to recuperate in 2021.

Since February 2022, there was a resurgence of COVID-19 pandemic in the PRC, in particular the emergence and increasing reported cases of the Delta and Omicron virus variants which has created uncertainties for our business operations. During 4M2022, we had one event content marketing project and one public relations event planning project being delayed. In addition, our customers for nine of our projects, which were in pitching and negotiation stage, decided not to proceed further to the signing of contracts and withhold those projects. Despite the above, our revenue increased by approximately 104.8% from RMB70.2 million for 4M2021 to RMB143.8 million for 4M2022 primarily due to increase in revenue from our content marketing services which mainly was due to we had four content marketing projects delayed from 2021 were completed in January 2022 and we had two content marketing projects which started in 2021 were completed in January 2022 before the resurgence of COVID-19 pandemic in the PRC. Please refer to the sections headed “Business — Effects of the COVID-19 Outbreak”, “Financial Information — Key Components of Our Consolidated Statements of Profit or Loss” and “Financial Information — Review of Historical Results of Operations” in this prospectus for further information.

Further, the average turnover days of our trade receivables increased from 123.7 days in 2019 to 191.9 days in 2020 and slightly decreased to 178.2 days in 2021 and further decreased to 169.4 days for 4M2022. We recorded longer average turnover days of our trade receivables in 2020 and 2021 compared to 2019 primarily due to the delay in payment by our customers as a result of the impact of COVID-19 on their business operations. For further details of the impact of COVID-19 on our trade receivables, please refer to the paragraph headed “— Selected Balance Sheet Items — Trade Receivables” in this section of this prospectus.

### Recent Establishment of SaaS Interactive Marketing Service Segment

In view of the growing demand in the market, particularly from brand owners, for quality and efficient interactive marketing templates and tools to excavate online private traffic coupled with rising costs in obtaining online public traffic leading to increasing demand in online private traffic management, we began to prepare for the expansion into the SaaS interactive marketing services in 2018 and finally launched our SaaS interactive marketing platform, Content Engine (内容引擎), in June 2021, and has achieved success. As at 30 September 2022, our Content Engine platform had over 8,000 user accounts.

## FINANCIAL INFORMATION

Although our SaaS interactive marketing services have only recently launched and have not contributed to a significant amount of our revenue during the Track Record Period, it is our strategic focus and we expect it will become the key driver of our future growth. We have undertaken various efforts to enhance our Content Engine platform including, among others, (i) obtaining the licences for the copyrights of 200 anime image IPs to use in our mini-games and H5 screen interactive marketing contents; (ii) collaborating with interactive marketing contents development companies to develop marketing software for us; and (iii) connecting our platform with design studios to provide a great variety of marketing templates on our Content Engine platform. However, we cannot assure you that we will be able to succeed in growing this new business segment despite the resources and efforts we put into it. For some of the risks that we may face in our SaaS interactive marketing service, please refer to the section headed “Risk Factors — Risks Relating to Our Business and Our Industry” in this prospectus for further information.

### Ability to Maintain or Reduce Media Advertising Resources Costs

Our media advertising resources costs mainly represent the costs of obtaining marketing rights to the various events for our content marketing projects, the costs of obtaining advertising resources from advertising channels or their agents including both online and traditional advertising channels for our integrated marketing solutions services (excluding SaaS interactive marketing services) and other media technical and execution costs. For 2019, 2020, 2021 and 4M2022, our media advertising resources costs was RMB177.6 million, RMB157.6 million, RMB183.8 million and RMB75.5 million, respectively, which accounted for approximately 45.4%, 51.1%, 52.0% and 52.5% of our total revenue for the same periods, respectively.

The following table sets forth a sensitivity analysis to illustrate the impact of hypothetical increase in our media advertising resources costs on our profit before tax and total cost of revenue for the periods indicated, with all other factors remaining constant.

	For the year ended 31 December			For the four months ended 30 April	
	2019 RMB'000	2020 RMB'000	2021 RMB'000	2021 RMB'000	2022 RMB'000
Profit before tax for the year/period	98,595	36,944	79,368	6,040	19,089
<b>Assuming 5% increase in our media advertising resources costs</b>					
Impact on total cost of revenue	8,881	7,880	9,192	1,942	3,774
Impact on profit before tax for the year/period	(8,881)	(7,880)	(9,192)	(1,942)	(3,774)
<b>Assuming 10% increase in our media advertising resources costs</b>					
Impact on total cost of revenue	17,763	15,760	18,384	3,885	7,548
Impact on profit before tax for the year/period	(17,763)	(15,760)	(18,384)	(3,885)	(7,548)

## FINANCIAL INFORMATION

We generally procured IP contents from IP content providers (IP owners or IP operators) and advertising resources from media channels or their agents on a project by project basis during the Track Record Period. There is no assurance that the IP content providers and media channels or their agents will continue to provide their relevant products or services to us at favourable or similar prices, or at all.

### **Preferential Tax Treatments**

During the Track Record Period, we enjoyed certain preferential tax treatments in some of our PRC subsidiaries during the course of providing integrated marketing solutions services. For example, Hainan Many Idea, our indirect wholly owned subsidiary incorporated on 19 March 2021, was entitled to a preferential tax rate of 15% for 2021.

These preferential tax treatments have lowered our income tax expenses. The effect of tax concession granted to our PRC subsidiaries was RMB6.7 million, RMB4.2 million, RMB5.4 million and RMB1.9 million, respectively, for 2019, 2020, 2021 and 4M2022. Our effective tax rate was 18.8%, 14.0%, 18.4% and 20.1%, respectively, for the same periods. However, there is no guarantee that we can continue to enjoy the preferential tax treatments which we had previously enjoyed during the Track Record Period and that no further change will be made to the PRC tax policies that could materially and adversely affect our results of operation. If there is any termination of, or changes to, the preferential tax treatments that we have enjoyed or intend to apply, it could adversely affect our profitability. Please refer to the section headed “Risk Factors — Risks Relating to Our Business and Our Industry — Any termination of, or changes to, the preferential tax treatments that we have enjoyed or intend to apply could adversely affect our profitability” in this prospectus for further information.

### **CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS**

The discussion and analysis of our financial position and results of operations are based on the consolidated financial statements prepared in accordance with the significant accounting policies set out in the Accountants’ Report in Appendix I to this prospectus. Preparation of our individual and consolidated financial information requires us to make estimates and judgements in applying certain critical accounting policies which may have a significant impact on our consolidated results. We base our estimates on historical experience and other assumptions which our management believes to be reasonable under the circumstances. Results may differ from these estimates under different assumptions and conditions.

The following discussion provides supplemental information on our critical accounting policies, certain of which require estimates and assumptions from our management.

## FINANCIAL INFORMATION

### **Useful Lives and Residual Values of Property, Plant and Equipment**

We determine the estimated useful lives and residual values for our property, plant and equipment. This estimate is based on our historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. We will increase the depreciation charge where useful lives are less than previously estimated lives. We will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives; actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation expense in the future periods.

### **Impairment of Trade Receivables, Deposits and Other Receivables and Amount due from Related Parties**

The measurement of impairment losses under HKFRS 9 requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, including the economic downturn and uncertainties that have arisen as a result of COVID-19 pandemic, have made these estimates more judgemental, in which can result in different levels of allowances.

At the end of each of the Track Record Period, we assess whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. We consider reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualification information and also, forward-looking analysis.

### **Impairment of Property, Plant and Equipment, Intangible Assets and Right-of-use Assets**

Property, plant and equipment, intangible assets and right-of-use assets are tested for impairment when indicators exist. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount being fair value less costs of disposal or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

### **Estimated Incremental Borrowing Rate for Leases**

We cannot readily determine the interest rate implicit in a lease, and therefore, we use an incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that we would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what we "would have to pay", which requires estimation when no observable rates are available or when it needs to be adjusted to reflect the terms and

## FINANCIAL INFORMATION

conditions of the lease. We estimate the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

### **Income Tax and Deferred Tax**

Determining income tax provisions requires us to make judgements on the future tax treatment of certain transactions. We carefully evaluate tax implications of transactions in accordance with prevailing tax regulations and make tax provisions accordingly. In addition, deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. This requires significant judgement on the tax treatments of certain transactions and also assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered.

### **Fair Value of Unlisted Financial Assets Measured at FVTOCI**

The fair value measurement of financial asset at fair value through other comprehensive income ("FVTOCI") were categorised within Level 3 of the fair value hierarchy, which required significant judgements and estimates by considering factors including, but not limited to, the future operating performance and cash flow of the investee company and economic and market conditions in which the investee company operated. The fair value of the financial asset at FVTOCI will be revised upward or downward where future performance are different from previous forecast.

In relation to the valuation of the fair value of financial assets at FVTOCI, our Directors, based on the professional advice received, adopted the following procedures: (i) reviewed the underlying investment agreements; (ii) engaged independent valuer, provided necessary financial and non-financial information so as to enable the valuer to perform valuation procedures and discussed with the valuer on relevant assumptions; (iii) carefully considered all information especially those non-market related information input, such as expected revenue of the investee companies and discount for lack of marketability, which require management assessments and estimates; and (iv) reviewed the valuation working papers and results prepared by the valuer. Based on the above procedures, our Directors are of the view that the valuation analysis performed by the valuer is fair and reasonable, and the financial statements of our Group are properly prepared.

Details of the fair value of the financial asset at FVTOCI and corresponding significant unobservable input of the valuation are disclosed in Note 42(f) in the Accountants' Report in Appendix I to this prospectus. The Reporting Accountants have carried out their work in accordance with Hong Kong Standard on Investment Circular Reporting Engagement 200 "Accountants' Report on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants for the purpose of expressing an opinion on the Historical Financial Information of our Group for the Track Record Period as a whole and the Reporting Accountants opinion is set out on page I-2 of the Accountants' Report in Appendix I to this prospectus.

## FINANCIAL INFORMATION

The Sole Sponsor has conducted the following due diligence work in relation to the valuation of the fair value of financial assets at FVTOCI which includes but not limited to: (i) discussed with the Company's management and the Reporting Accountants to understand the nature and details of the financial assets at FVTOCI; (ii) obtained and reviewed the relevant underlying investment agreements; (iii) reviewed the valuation report prepared by the valuer regarding the fair values of the financial assets at FVTOCI, and assessed the qualification of such valuer; (iv) reviewed relevant notes in the Accountants' Report as contained in Appendix I; (v) discussed with the Company, the Reporting Accountants and the valuer about the key basis and assumptions for the valuation of financial assets at FVTOCI; (vi) obtained and reviewed the internal policy of the Company on investment; and (vii) discussed with the Reporting Accountants in respect of the audit procedures they have conducted for the purpose of expressing an opinion on the Historical Financial Information of the Group as a whole. Having considered the work done by the Directors and Reporting Accountants and the relevant due diligence done as stated above, nothing has come to the Sole Sponsor's attention that would cause the Sole Sponsor to question the valuation analysis performed by the valuer on the financial assets at FVTOCI.

### **Fair Value of Derivative Financial Liabilities**

Our Company has issued the Pre-HKIPO Loans with conversion features to investors during the Track Record Period. We bifurcated the conversion features and classified the conversion option derivative portion of the Pre-HKIPO Loans as financial liabilities at FVTPL of which no quoted prices in an active market exist. The fair value is established by using valuation techniques which include the Black-Scholes option pricing method. Valuation techniques are certified by an independent valuer before being implemented for valuation and are calibrated to ensure that outputs reflect market conditions. Valuation models established by the valuer make the maximum use of market inputs and rely as little as possible on our own specific data. The determination of the fair value of conversion option derivative portion of the Pre-HKIPO Loans is based on certain parameters including but not limited to stock price and its volatility, exercise price, option life and risk-free interest rate. However, it should be noted that some inputs, such as fair value of the ordinary shares of our Company, possibilities under different scenarios such as initial public offering, time to liquidation and discount for lack of marketability, require management estimates. Management estimates and assumptions are reviewed periodically and are adjusted if necessary. Should any of the estimates and assumptions changed, it may lead to a change in the fair value of the other financial liabilities at FVTPL. The fair values of the conversion features and the conversion option derivative portion of the Pre-HKIPO Loans are set out in Note 35 to the Accountant's Report in Appendix I to this prospectus.

In relation to the valuation of the derivative financial liabilities, our Directors, based on the professional advice received, adopted the following procedures: (i) reviewed the terms of Loan Agreements; (ii) engaged independent valuer, provided necessary financial and non-financial information so as to enable the valuer to perform valuation procedures and discussed with the valuer on relevant assumptions; (iii) carefully considered all information especially those non-market related information input, such as fair value of the ordinary shares of our Company, possibilities under different scenarios, time to



## FINANCIAL INFORMATION

liquidation and discount for lack of marketability, which require management assessments and estimates; and (iv) reviewed the valuation working papers and results prepared by the valuer. Based on the above procedures, our Directors are of the view that the valuation analysis performed by the valuer is fair and reasonable, and the financial statements of our Group are properly prepared.

The fair values of the conversion features and the conversion option derivative portion of the Pre-HKIPO Loans are set out in Note 35 to the Accountants' Report in Appendix I to this prospectus and details of the fair value measurement of derivative financial liabilities, particularly the fair value hierarchy, the valuation techniques and key inputs, including significant unobservable inputs, the relationship of unobservable inputs to fair value and reconciliation of level 3 measurements are disclosed in Note 42(f) to the Accountants' Report in Appendix I to this prospectus in accordance with Hong Kong Standard on Investment Circular Reporting Engagement 200 "Accountants' Report on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants in Appendix I. The Reporting Accountants' opinion on the Historical Financial Information of our Group for the Track Record Period as a whole is set out on page I-2 of the Accountants' Report in Appendix I to this prospectus.

In relation to the valuation analysis performed by valuer on derivative financial liabilities, the Sole Sponsor has conducted relevant due diligence work, including but not limited to, (i) discussed with the Company's management and the Reporting Accountants to understand the nature and details of the derivative financial liabilities; (ii) obtained and reviewed the Loan Agreements; (iii) reviewed the valuation report prepared by the valuer regarding the fair values of the liability portion and the conversion option derivative portion of the Pre-HKIPO Loans, and assessed the qualification of such valuer; (iv) reviewed relevant notes in the Accountants' Report in Appendix I to this prospectus; (v) discussed with the Company and the Reporting Accountants about the key basis and assumptions for the valuation of derivative financial liabilities; and (vi) discussed with the Reporting Accountants in respect of the audit procedures they have conducted for the purpose of expressing an opinion on the Historical Financial Information of the Group as a whole. Having considered the work done by the Directors and Reporting Accountants and the relevant due diligence done as stated above, nothing has come to the Sole Sponsor's attention that would cause the Sole Sponsor to question the valuation analysis performed by the valuer on the derivative financial liabilities.

### **Useful Lives of Intangible Assets**

Our management determines the estimated useful lives and related amortisation charges for our intangible assets with reference to the estimated periods that we intend to derive future economic benefits from the use of these assets. Our management will revise the amortisation charges where useful lives are different to that of previously estimated, or it will write off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore amortisation expense in future periods.



## FINANCIAL INFORMATION

### RESULTS OF OPERATIONS

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income data for the periods indicated derived from our consolidated statements of profit or loss and other comprehensive income set out in the Accountants' Report in Appendix I to this prospectus:

	For the year ended 31 December			For the four months ended 30 April	
	2019	2020	2021	2021	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Revenue	391,038	308,377	353,300	70,219	143,807
Cost of revenue	<u>(261,691)</u>	<u>(233,735)</u>	<u>(238,764)</u>	<u>(50,002)</u>	<u>(97,714)</u>
<b>Gross profit</b>	129,347	74,642	114,536	20,217	46,093
Other revenue	6,374	6,574	8,505	3,075	1,754
Other gains and losses	-	-	1,409	-	(2,717)
Selling and marketing expenses	(16,022)	(15,389)	(9,969)	(3,215)	(2,260)
Administrative expenses	(16,869)	(16,313)	(16,913)	(4,676)	(6,152)
Provision for impairment loss on trade receivables, net	(3,667)	(11,480)	(5,758)	(7,839)	(8,774)
Fair value changes of convertible bond — conversion option derivative	-	-	-	-	759
Finance costs	(568)	(1,090)	(3,787)	(1,522)	(4,210)
Listing expenses	<u>-</u>	<u>-</u>	<u>(8,655)</u>	<u>-</u>	<u>(5,404)</u>
Profit before income tax expense	98,595	36,944	79,368	6,040	19,089
Income tax expense	<u>(18,571)</u>	<u>(5,160)</u>	<u>(14,627)</u>	<u>(1,299)</u>	<u>(3,829)</u>
<b>Profit for the year/period</b>	<b><u>80,024</u></b>	<b><u>31,784</u></b>	<b><u>64,741</u></b>	<b><u>4,741</u></b>	<b><u>15,260</u></b>
<b>Profit for the year/period attributable to:</b>					
Owners of the Company	<u>66,516</u>	<u>26,419</u>	<u>56,146</u>	<u>4,228</u>	<u>15,271</u>
Non-controlling interests	<u>13,508</u>	<u>5,365</u>	<u>8,595</u>	<u>513</u>	<u>(11)</u>
	<b><u>80,024</u></b>	<b><u>31,784</u></b>	<b><u>64,741</u></b>	<b><u>4,741</u></b>	<b><u>15,260</u></b>

## FINANCIAL INFORMATION

	For the year ended 31 December			For the four months ended 30 April	
	2019	2020	2021	2021	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Other comprehensive income, net of tax					
Items that will not be reclassified to profit or loss:					
Fair value changes on financial assets at fair value through other comprehensive income	<u>(2,687)</u>	<u>513</u>	<u>27,336</u>	<u>15,837</u>	<u>–</u>
Other comprehensive (expenses)/income for the year/period	<u>(2,687)</u>	<u>513</u>	<u>27,336</u>	<u>15,837</u>	<u>–</u>
<b>Total comprehensive income for the year/period</b>	<b><u>77,337</u></b>	<b><u>32,297</u></b>	<b><u>92,077</u></b>	<b><u>20,578</u></b>	<b><u>15,260</u></b>
<b>Total comprehensive income for the year/period attributable to:</b>					
Owners of the Company	64,283	26,845	78,868	17,392	15,271
Non-controlling interests	<u>13,054</u>	<u>5,452</u>	<u>13,209</u>	<u>3,186</u>	<u>(11)</u>
	<b><u>77,337</u></b>	<b><u>32,297</u></b>	<b><u>92,077</u></b>	<b><u>20,578</u></b>	<b><u>15,260</u></b>

## FINANCIAL INFORMATION

### Non-HKFRS financial measures

Our Directors consider that the presentation of our Group's adjusted net profit under non-HKFRS financial measures by eliminating the impact of listing expenses can better reflect our operational performance during the Track Record Period. Furthermore, our management also uses the non-HKFRS financial measures to assess our operating performance and formulate business plans. We believe that the non-HKFRS financial measures provide useful information to the investors. Notwithstanding the above, the presentation of the non-HKFRS financial measures is not intended to be considered in isolation or as substitute for the financial information prepared and presented in accordance with HKFRS. The non-HKFRS financial measures have limitations as analytical tools and our non-HKFRS financial measures may differ from the non-HKFRS financial measures used by other companies, and therefore the comparability of such information may be limited. The following table sets forth a reconciliation of our Group's adjusted net profit under non-HKFRS financial measures for the periods indicated to that prepared in accordance with HKFRS measures:

	For the year ended 31 December			For the four months ended 30 April	
	2019 <i>RMB'000</i>	2020 <i>RMB'000</i>	2021 <i>RMB'000</i>	2021 <i>RMB'000</i>	2022 <i>RMB'000</i>
				<i>(unaudited)</i>	
<b>Reconciliation</b>					
Profit for the year/period	80,024	31,784	64,741	4,741	15,260
Add: Listing expenses	<u>          -</u>	<u>          -</u>	<u>      8,655</u>	<u>          -</u>	<u>      5,404</u>
<b>Adjusted profit for the year/period (non-HKFRS measures)</b>	<u>      80,024</u>	<u>      31,784</u>	<u>      73,396</u>	<u>      4,741</u>	<u>      20,664</u>

## FINANCIAL INFORMATION

### KEY COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

#### Revenue

During the Track Record Period, we generated our revenue from the provision of integrated marketing solutions services which include (i) content marketing services, (ii) SaaS interactive marketing services, (iii) digital marketing services, (iv) public relations event planning services and (v) media advertising services. The following table sets forth the breakdown of revenue we generated, by amount and as a percentage to our total revenue, by business segment for the periods indicated:

	For the year ended 31 December						For the four months ended 30 April			
	2019		2020		2021		2021		2022	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
<b>Revenue</b>										
Content marketing	249,175	63.7	178,051	57.7	188,164	53.2	20,372	29.0	82,546	57.4
SaaS interactive marketing	-	-	-	-	10,581	3.0	-	-	8,951	6.2
Digital marketing	62,972	16.1	73,123	23.7	87,950	24.9	30,757	43.8	24,959	17.4
Public relations event planning	42,870	11.0	39,428	12.8	25,434	7.2	5,866	8.4	3,858	2.7
Media advertising	36,021	9.2	17,775	5.8	41,171	11.7	13,224	18.8	23,493	16.3
<b>Total</b>	<b>391,038</b>	<b>100.0</b>	<b>308,377</b>	<b>100.0</b>	<b>353,300</b>	<b>100.0</b>	<b>70,219</b>	<b>100.0</b>	<b>143,807</b>	<b>100.0</b>

Our revenue derived from content marketing services, digital marketing services, public relations event planning services and media advertising services are recognised over the period of time when the related services are rendered according to the progress of completion as stipulated under the agreements. Revenue would be recognised when we deliver the services to our customers, such as delivery of design and advertising plans, and will continue to recognise until all promised services are delivered. For SaaS interactive marketing services, the annual subscription fees are recognised over the year of subscription. For our SaaS customised products, we recognise the revenue when the products are delivered to our customers. For SaaS interactive marketing services where we engage SaaS agents to market and sell our SaaS products, as we regard our SaaS agents as our direct buyers, we recognise revenue generated from our SaaS agents for our SaaS interactive marketing services upon setting up and activating user accounts after deduction of the commission expenses paid or payable to such SaaS agents.

## FINANCIAL INFORMATION

### *Content Marketing*

For content marketing services, we are primarily involved in planning, design, operation and execution of content marketing projects, and we derived our revenue through securing sponsorships for our customers to those projects.

During the Track Record Period, we generated majority of our revenue from content marketing services. For 2019, 2020, 2021, 4M2021 and 4M2022, revenue from our content marketing services was RMB249.2 million, RMB178.1 million, RMB188.2 million, RMB20.4 million and RMB82.5 million, respectively, which contributed to approximately 63.7%, 57.7%, 53.2%, 29.0% and 57.4% of our total revenue during the same periods, respectively.

For our content marketing services, we focus on sports and fashion lifestyle projects. Our content marketing services can be categorised as (i) event content marketing projects and (ii) digital content marketing projects based on the primary marketing channel on which the content marketing projects rely. It can also be categorised as (i) self owned IP content marketing projects and (ii) third party IP content marketing projects based on the ownership of the IP contents used in the content marketing projects. For further details of our business operations in this segment, please refer to the section headed “Business — Our Integrated Marketing Solutions — Content Marketing” in this prospectus.

### *Content Marketing Projects Revenue by Nature of Primary Marketing Channel*

Below table sets out a breakdown of the revenue of our content marketing projects, in terms of amount and as a percentage to our revenue from content marketing projects, by nature of primary marketing channel for the periods indicated:

	For the year ended 31 December						For the four months ended 30 April			
	2019		2020		2021		2021		2022	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
<b>Revenue</b>										
Event content marketing	234,553	94.1	134,277	75.4	136,183	72.4	871	4.3	44,386	53.8
Digital content marketing	14,622	5.9	43,774	24.6	51,981	27.6	19,501	95.7	38,160	46.2
<b>Total</b>	<b>249,175</b>	<b>100.0</b>	<b>178,051</b>	<b>100.0</b>	<b>188,164</b>	<b>100.0</b>	<b>20,372</b>	<b>100.0</b>	<b>82,546</b>	<b>100.0</b>

Our revenue from event content marketing projects decreased by RMB100.3 million or 42.8% from RMB234.6 million in 2019 to RMB134.3 million in 2020 primarily due to the impact of COVID-19 on our business operations. We have historically been focusing mostly on event content marketing projects for our content marketing services. However, given the various COVID-19 restrictions imposed by the PRC government, it led to temporary postponement or cancellation of some of our content marketing projects particularly for event content marketing projects. For 2020, three and 11 of our content marketing projects were delayed or cancelled.

## FINANCIAL INFORMATION

As a result of the impact of COVID-19 to offline events, we saw a shift of demand from our customers from event content marketing projects to digital content marketing projects in 2020. This is reflected in the increase in number of our digital content marketing projects which contributed towards our revenue in the corresponding years from three projects in 2019 to nine projects in 2020. As a result, the proportion of revenue generated from event content marketing projects as a percentage to our total revenue from content marketing services decreased from approximately 94.1% in 2019 to approximately 75.4% in 2020, while the proportion of revenue generated from digital content marketing projects as a percentage to our total revenue from content marketing services increased from approximately 5.9% in 2019 to approximately 24.6% in 2020.

Our revenue from event content marketing projects remained relatively stable at RMB136.2 million in 2021 compared to RMB134.3 million in 2020 while our revenue from digital content marketing projects increased by RMB8.2 million or approximately 18.7% from RMB43.8 million in 2020 to RMB52.0 million in 2021 as driven by the continuous shift of customer spending on promotion and marketing to digital content marketing and the COVID-19 pandemic further accelerated the digitalisation process in the PRC. As a result, our revenue generated from event content marketing projects as a percentage to our total revenue from content marketing projects decreased from approximately 75.4% to 72.4% while our revenue generated from digital content marketing projects as a percentage to our total revenue from content marketing projects increased from approximately 24.6% to 27.6%.

Our revenue from event content marketing projects increased by RMB43.5 million or approximately 4,996.1% from RMB871,000 for 4M2021 to RMB44.4 million for 4M2022 primarily due to the completion of five event content marketing projects in 4M2022, as compared to one completed event content marketing project in 4M2021. Out of the five completed event content marketing projects, three of them, which were delayed from 2021, were completed in January 2022 and the remaining two were event content marketing projects started in 2021 and completed in January 2022. In addition, we were able to secure more sponsoring customers for our event content marketing projects with a total of 19 sponsorships received during 4M2022 as compared to three sponsorships received during 4M2021. Our revenue from digital content marketing projects increased by RMB18.7 million or approximately 95.7% from RMB19.5 million for 4M2021 to RMB38.2 million for 4M2022 primarily due to increased number of projects and sponsoring customers. We had a total of five digital content marketing projects with an aggregate of 15 sponsoring customers for 4M2022 as opposed to four digital content marketing projects with an aggregate of 10 sponsoring customers for 4M2021. As a result, our revenue generated from event content marketing projects as a percentage to our total revenue from content marketing projects increased from approximately 4.3% for 4M2021 to 53.8% for 4M2022 while our revenue generated from digital content marketing projects as a percentage to our total revenue from content marketing projects decreased from approximately 95.7% for 4M2021 to 46.2% for 4M2022.

## FINANCIAL INFORMATION

### Content Marketing Projects Revenue by Ownership of IP Contents

Below table sets out a breakdown of the revenue of our content marketing projects, in terms of amount and as a percentage to our revenue from content marketing services, by ownership of IP contents for the periods indicated:

	For the year ended 31 December						For the four months ended 30 April			
	2019		2020		2021		2021		2022	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
<b>Revenue</b>										
Self owned IP content marketing	34,688	13.9	52,126	29.3	58,868	31.3	14,784	72.6	36,745	44.5
Third party IP content marketing	214,488	86.1	125,925	70.7	129,296	68.7	5,588	27.4	45,801	55.5
<b>Total</b>	<b>249,175</b>	<b>100.0</b>	<b>178,051</b>	<b>100.0</b>	<b>188,164</b>	<b>100.0</b>	<b>20,372</b>	<b>100.0</b>	<b>82,546</b>	<b>100.0</b>

Our revenue from our self owned IP content marketing projects increased by approximately 50.3% from RMB34.7 million in 2019 to RMB52.1 million in 2020 which was primarily due to the hosting of two successful content marketing projects utilising self owned IP contents, namely, 2020 Minnan Attitude Festival\* (2020閩南態度節) and Sofa Music Festival\* (沙發音樂節), in 2020. Our revenue from our third party IP content marketing projects decreased by approximately 41.3% from RMB214.5 million in 2019 to RMB125.9 million in 2020 which was primarily due to decrease in number of sponsoring customers of our third party owned IP content marketing projects as a result of the COVID-19 pandemic.

Our revenue from our self owned IP content marketing projects increased by approximately 12.9% from RMB52.1 million in 2020 to RMB58.9 million in 2021 which was primarily due to (i) our successful commercialisation of our self owned IP (ABC Kids Planet Race\* (小馬星球)) by securing more sponsorship from our customers in two content marketing projects utilising such IP; and (ii) the ease of COVID-19 restrictions in 2021. Our revenue from our third party IP content marketing projects increased slightly by approximately 2.68% from RMB125.9 million in 2020 to RMB129.3 million in 2021 which was primarily due to gradual recovery in spending by our customers on content marketing projects, which was reflected in the increase of average project fee in 2021 as compared to 2020.



## FINANCIAL INFORMATION

Our revenue from our self owned IP content marketing projects increased by approximately 148.5% from RMB14.8 million for 4M2021 to RMB36.7 million for 4M2022, which was primarily due to hosting of five successful self owned IP content marketing projects with a total of 16 sponsoring customers for 4M2022, as opposed to hosting of three self owned IP content marketing projects with only a total of eight sponsoring customers for 4M2021. Our revenue from our third party IP content marketing projects increased by approximately 719.6% from RMB5.6 million for 4M2021 to RMB45.8 million for 4M2022, which was primarily due to the increase in number of completed third party IP content marketing projects from two projects for 4M2021 to five projects for 4M2022. In particular, (i) two of our third party IP content marketing projects, which were delayed from 2021, were completed in January 2022; and (ii) two of our third party IP content marketing projects started in 2021 were completed in January 2022.

### *SaaS Interactive Marketing*

Our recently launched SaaS interactive marketing service platform, Content Engine, provides a cloud-based interactive marketing solutions to our customers. In 2021 and 4M2022, revenue from our SaaS interactive marketing services amounted to RMB10.6 million and RMB9.0 million, respectively, which contributed to approximately 3.0% and 6.2% of our total revenue, respectively. For the four months ended 30 April 2022, our SaaS interactive marketing services segment had 23 customers, all of which were active and paying customers. We also partnered with three SaaS agents to market and sell our SaaS interactive marketing services to small and medium size customers. As at 30 September 2022, our Content Engine platform had over 8,000 user accounts. For further details of our business operations in this segment, please refer to the section headed “Business — Our Integrated Marketing Solutions — SaaS Interactive Marketing Service” in this prospectus.

### *Digital Marketing*

For digital marketing services, we provide marketing and advertising services on various online media channels (such as NetEase (網易), Toutiao (頭條), Weibo (微博), WeChat (微信) and Youku (優酷)) to our customers. Our revenue from digital marketing services increased by approximately 16.1% from RMB63.0 million in 2019 to RMB73.1 million in 2020 as some of our customers re-allocated their advertising budget from offline and traditional marketing channels to online marketing channels. Our revenue from digital marketing services further increased by approximately 20.3% from RMB73.1 million in 2020 to RMB88.0 million in 2021 primarily due to our customers’ continued demand for marketing utilising online marketing channels and the COVID-19 pandemic further accelerated the digitalisation process in the PRC. Our revenue from digital marketing services decreased by approximately 18.9% from RMB30.8 million for 4M2021 to RMB25.0 million for 4M2022 primarily due to delay of the advertising campaign by one of our existing customers of digital marketing services because it plans to upgrade the logo and package of its products. For further details of our business operations in digital marketing services, please refer to the section headed “Business — Our Integrated Marketing Solutions — Digital Marketing” in this prospectus.

## FINANCIAL INFORMATION

Below table sets out a breakdown of the revenue of our digital marketing services, in terms of amount and as a percentage to our revenue from digital marketing services, by advertising media channel for the periods indicated:

	For the year ended 31 December						For the four months ended 30 April			
	2019		2020		2021		2021		2022	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
<b>Revenue</b>										
Advertising with										
NetEase	28,780	45.7	35,665	48.8	44,074	50.1	15,872	51.6	15,269	61.2
Advertising with other										
channels	34,192	54.3	37,458	51.2	43,876	49.9	14,885	48.4	9,690	38.8
<b>Total</b>	<b>62,972</b>	<b>100.0</b>	<b>73,123</b>	<b>100.0</b>	<b>87,950</b>	<b>100.0</b>	<b>30,757</b>	<b>100.0</b>	<b>24,959</b>	<b>100.0</b>

Our revenue generated from digital marketing projects utilising NetEase (網易) as a percentage to our total revenue from digital marketing services remained relatively stable for 2019, 2020 and 2021 at approximately 45.7%, 48.8% and 50.1%, while for 4M2022, such percentage increased to 61.2% from 51.6% for 4M2021 primarily due to the decrease in revenue generated from digital marketing projects utilising other advertising channels from RMB14.9 million for 4M2021 to RMB9.7 million for 4M2022. We witnessed such decrease in revenue from digital marketing projects utilising other advertising channels primarily due to delay of the advertising campaign by one of our existing customers of digital marketing services because it plans to upgrade the logo and package of its products.

### ***Public Relations Event Planning and Media Advertising***

For public relations event planning services, we provide planning, organisation and management services to our customers for the hosting of various events such as product launches, festival celebrations, annual meetings, and trade fairs. For media advertising services, we provide marketing and advertising services on various traditional advertising channels (such as television and advertising spaces in public transport stations) to our customers. For further details of our business operations in public relations event planning services and media advertising services, please refer to the sections headed “Business — Our Integrated Marketing Solutions — Public Relations Event Planning” and “Business — Our Integrated Marketing Solutions — Media Advertising” in this prospectus, respectively.

For 2019, 2020, 2021, 4M2021 and 4M2022, our revenue generated from public relations event planning services amounted to RMB42.9 million, RMB39.4 million, RMB25.4 million, RMB5.9 million and RMB3.9 million, respectively, representing approximately 11.0%, 12.8%, 7.2%, 8.4% and 2.7% of our total revenue for the same periods, respectively. The decrease in revenue from public relations event planning services in 2020 as compared to 2019 was primarily due to various social distancing

## FINANCIAL INFORMATION

restrictions (such as restrictions imposed on the number of attending participants) imposed by the PRC government in response to COVID-19 which led to our customers reducing spending on hosting events. The further decrease in revenue from public relations event planning services from 2020 to 2021 and from 4M2021 to 4M2022 was mainly attributable to a decreased demand from customers for public relations events due to the potential tightening of social distancing requirements which dampened the customers' interest in organising their own public relations events.

For 2019, 2020, 2021, 4M2021 and 4M2022, our revenue from our media advertising services was RMB36.0 million, RMB17.8 million, RMB41.2 million, RMB13.2 million and RMB23.5 million, respectively, which contributed to approximately 9.2%, 5.8%, 11.7%, 18.8% and 16.3% of our total revenue during the same periods, respectively. Our revenue from media advertising services decreased from 2019 to 2020 primarily as a result of COVID-19 which shifted the spending of some of our customers from utilising offline and traditional marketing channels to online marketing channels. Our revenue from media advertising services recuperated from 2020 to 2021 primarily due to the general ease of COVID-19 restrictions and people started to increase visiting public venues which we believe led to our customers demand to increase spending in traditional advertising channels. Our revenue from media advertising services increased by approximately 77.7% from RMB13.2 million for 4M2021 to RMB23.5 million for 4M2022 primarily due to (i) substantial increase in bus advertisements from RMB1.1 million in 4M2021 to RMB4.5 million in 4M2022; (ii) engagement by our previous customer who previously engaged us for public relations event planning services to promote their brand through our media advertising services in 4M2022; and (iii) increase in spending by some of our existing customers on our media advertising services.

### Revenue by geographical location

Below table sets out a breakdown of our revenue by geographical location based on the business addresses of our customers, in terms of amount and as a percentage to our total revenue for the periods indicated:

	For the year ended 31 December						For the four months ended 30 April			
	2019		2020		2021		2021		2022	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Fujian Province	275,339	70.4	213,318	69.2	239,766	67.9	47,102	67.1	130,004	90.4
Guangdong Province	52,787	13.5	39,933	12.9	55,362	15.7	12,135	17.3	8,698	6.1
Beijing	18,464	4.7	14,733	4.8	20,407	5.8	2,642	3.8	4,202	2.9
Zhejiang Province	15,571	4.0	14,260	4.6	5,056	1.4	290	0.4	-	-
Other Provinces <sup>(1)</sup>	28,877	7.4	26,133	8.5	32,709	9.3	8,050	11.4	903	0.6
<b>Total</b>	<b>391,038</b>	<b>100.0</b>	<b>308,377</b>	<b>100.0</b>	<b>353,300</b>	<b>100.0</b>	<b>70,219</b>	<b>100.0</b>	<b>143,807</b>	<b>100.0</b>

Note:

- (1) Other provinces include Shanghai, Shandong, Hunan, Anhui, Guangxi, Yunnan, Shaanxi, Hainan, Jiangsu, Shanxi, Jiangxi, Zhejiang and Sichuan.

## FINANCIAL INFORMATION

For 2019, 2020, 2021, 4M2021 and 4M2022, majority of our revenue, based on the business addresses of our customers, was generated from the Fujian province which accounted for approximately 70.4%, 69.2%, 67.9%, 67.1% and 90.4% of our total revenue for the same periods, respectively. The higher revenue contribution from our customers with business addresses in Fujian Province for 4M2022 compared to 4M2021 was primarily due to (i) increase in revenue from content marketing services where the sponsoring customers had their business addresses in Fujian Province and (ii) increase in number of customers with their business addresses based in Fujian Province from 29 customers in 4M2021 to 38 customers in 4M2022. Over 50% of our total revenue for 4M2022 was from our sponsoring customers of our content marketing services where their business addresses were in Fujian Province as opposed to only around 17.6% for 4M2021.

### Cost of Revenue

Our cost of revenue primarily consists of media advertising resources costs, production costs, equipment rental costs, staff costs, SaaS cost, and other costs. The following table sets forth the principal components of our cost of revenue, in terms of amount and as a percentage to our total revenue, for the periods indicated:

	For the year ended 31 December						For the four months ended 30 April			
	2019		2020		2021		2021		2022	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
<b>Cost of Revenue</b>										
Media advertising resources costs										
- Marketing rights from IP contents providers	75,471	19.3	45,026	14.6	56,013	15.8	2,825	4.0	21,509	14.9
- Cost of obtaining advertising resources from advertising media channels or their agents	99,948	25.6	105,543	39.2	121,834	34.5	34,030	48.5	49,425	34.4
- Other media technical and execution costs	2,208	0.6	7,026	2.3	5,993	1.7	1,995	2.8	4,543	3.2
<b>Sub-total</b>	<b>177,627</b>	<b>45.4</b>	<b>157,595</b>	<b>51.1</b>	<b>183,840</b>	<b>52.0</b>	<b>38,850</b>	<b>55.3</b>	<b>75,477</b>	<b>52.5</b>
Production costs	66,850	17.1	58,281	18.9	35,235	10.0	9,043	12.9	13,851	9.6
Equipment rental costs	4,458	1.1	5,705	1.9	2,909	0.8	160	0.2	253	0.2
Staff costs	5,855	1.5	6,310	2.0	5,117	1.4	1,254	1.8	2,436	1.7
SaaS costs	-	-	-	-	6,241	1.8	-	-	5,032	3.5
Other costs	6,901	1.8	5,844	1.9	5,422	1.5	695	1.0	665	0.4
<b>Total</b>	<b>261,691</b>	<b>66.9</b>	<b>233,735</b>	<b>75.8</b>	<b>238,764</b>	<b>67.6</b>	<b>50,002</b>	<b>71.2</b>	<b>97,714</b>	<b>67.9</b>

## FINANCIAL INFORMATION

Our media advertising resources costs primarily represent the costs of obtaining marketing rights from IP contents providers for our content marketing projects, the costs of obtaining advertising resources from advertising media channels or their agents including both online and traditional advertising media channels (excluding costs related to our SaaS interactive marketing service) and other media technical and execution costs. Our media advertising resources costs accounted for the largest and majority portion of our cost of revenue, representing approximately 45.4%, 51.1%, 52.0%, 55.3% and 52.5% of our total revenue for 2019, 2020, 2021, 4M2021 and 4M2022, respectively.

Our media advertising resources costs are recognised as either (i) prepayments in case our interactive marketing services are yet to be rendered or performed; or (ii) trade payables in case our interactive marketing services have been rendered or performed while the respective payments have not been made to our suppliers. Our media advertising resources costs are recognised as cost of revenue over the period of contract when our corresponding interactive marketing services are rendered or when the advertisements are placed, as our customers simultaneously received and consumed the benefits provided by us. Our media advertising resources costs (other than the payment to NetEase (網易) in relation to cooperation arrangement) are incurred on a project basis and are entirely transferrable to our customers. For media advertising resources costs incurred under the cooperation arrangement with NetEase (網易), we pay a fixed fee periodically in exchange for the rights to sell certain advertising resources in Xiamen city and Zhangzhou city in the PRC to our customers. As the arrangement involves the right in terms of advertising resources granted to our Group for a predetermined period of time instead of granting a specified quantitative amount of online traffic with no definite time span in relation to the use of such online traffic, prepayment were recognised when we paid to our suppliers in recognition of the advertising resources to be granted to us at later period of time and will subsequently be recognised as cost of revenue on a pro-rata basis with the predetermined period of time while no inventory is recognised on the balance sheet. As for media advertising resources costs incurred under other advertising arrangements, we would only acquire the advertising resources on a back-to-back basis. We do not hold any advertising resources (i.e. the online traffic) but is entitled to consume the advertising resources simultaneously when the digital marketing advertisement is placed. Such costs were recognised as cost of revenue when the digital marketing advertisement is placed. As such, we do not hold any advertisement inventory and there is no inventory risks relating to the media advertising resources costs for our business.

Production costs primarily represent the costs of procuring performances or artists for events, venue set up and rental costs, travelling expenses, the costs of props, and materials for the relevant events, the costs of photography, video and audios production, etc. Equipment rental costs primarily represent the costs of equipment rental expenses for audio, LED screen, lighting, video and other equipment. Staff costs mainly represent staff salaries and benefits of our project staff who are involved in our projects. SaaS costs represent the amortisation of intangible assets for our Content Engine platform including, among others, copyright licences of IPs and software for our SaaS interactive marketing services.

## FINANCIAL INFORMATION

Overall speaking, the fluctuations in cost of revenue generally followed the fluctuations in revenue. Further, the fluctuations in cost of revenue also depends on the changes in types and mix of marketing services we provided in the respective periods. Our cost of revenue as a percentage to our total revenue was higher in 2020 compared to 2019 and 2021 primarily due to that there were a number of projects delayed or cancelled or reduced sponsorship from customers for certain projects hosted after we had incurred certain costs in those projects. Our cost of revenue as a percentage to our total revenue remained relatively stable at 71.2% and 67.9% for 4M2021 and 4M2022, respectively. For details of breakdown in relation to the movement of project numbers during the Track Record Period, including, among others, the number of projects completed or cancelled during the respective periods, please refer to section headed “Business — Our Projects — Projects by project basis and subscription basis” in this prospectus.

### Gross Profit and Gross Profit Margin

The following table sets forth the breakdown of our gross profit and gross profit margin by business segment for the periods indicated:

	For the year ended 31 December						For the four months ended 30 April			
	2019		2020		2021		2021		2022	
	Gross		Gross		Gross		Gross		Gross	
	Gross Profit	Profit Margin	Gross Profit	Profit Margin	Gross Profit	Profit Margin	Gross Profit	Profit Margin	Gross Profit	Profit Margin
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
<b>Gross Profit &amp; Gross Profit Margin</b>										
Content marketing	86,999	34.9	42,755	24.0	64,657	34.4	6,934	34.0	27,003	32.7
SaaS interactive marketing	-	-	-	-	3,998	37.8	-	-	3,768	42.1
Digital marketing	22,107	35.1	15,810	21.6	28,417	32.3	9,725	31.6	10,370	41.5
Public relations event planning	15,725	36.7	13,798	35.0	10,453	41.1	1,729	29.5	1,768	45.8
Media advertising	4,516	12.5	2,279	12.8	7,011	17.0	1,829	13.8	3,184	13.6
<b>Total</b>	<b>129,347</b>	<b>33.1</b>	<b>74,642</b>	<b>24.2</b>	<b>114,356</b>	<b>32.4</b>	<b>20,217</b>	<b>28.8</b>	<b>46,093</b>	<b>32.1</b>

Our gross profit for 2019, 2020, 2021, 4M2021 and 4M2022 was RMB129.3 million, RMB74.6 million, RMB114.5 million, RMB20.2 million and RMB46.1 million, respectively, and our gross profit margin for the same periods was approximately 33.1%, 24.2%, 32.4%, 28.8% and 32.1%, respectively. For 2020, we had a lower gross profit margin compared to 2019 and 2021 primarily due to there were a number of projects delayed or cancelled or reduced sponsorship from customers for certain projects hosted after we had incurred certain costs in those projects. We recorded a higher gross profit margin for 4M2022 compared to 4M2021 primarily due to (i) substantial increase in revenue from content marketing services which had a higher gross profit margin than our average gross profit

## FINANCIAL INFORMATION

margin; (ii) the launch of our SaaS interactive marketing services in June 2021 which had a relatively high gross profit margin; (iii) increase in gross profit margin from digital marketing services as a result of our cessation of cooperation arrangement with NetEase (網易) in Shangrao city which was less profitable than our cooperation arrangement with NetEase (網易) in Xiamen city and Zhangzhou city; and (iv) increase in gross profit margin from public relations event planning services as we were engaged in five projects in which we were mainly responsible for design, planning and preparation of promotional materials without the need to incur high production and material costs. For details of breakdown in relation to the movement of project numbers during the Track Record Period, including, among others, the number of projects completed or cancelled during the respective periods, please refer to section headed “Business — Our Projects — Projects by project basis and subscription basis” in this prospectus.

### *Content Marketing*

For 2019, 2020, 2021 and 4M2022, our gross profit was mainly derived from our content marketing projects, which accounted for approximately 67.3%, 57.3%, 56.5% and 58.6% of our total gross profit for the relevant period, respectively. For 4M2021, our gross profit from content marketing projects only accounted for approximately 34.3% of our total gross profit as our gross profit from digital marketing projects contributed to almost half of our total gross profit.

Below table sets out the breakdown of gross profit and gross profit margin of our content marketing projects by nature of primary marketing channel for the periods indicated:

	For the year ended 31 December						For the four months ended 30 April			
	2019		2020		2021		2021		2022	
	Gross		Gross		Gross		Gross		Gross	
	Gross Profit	Profit Margin	Gross Profit	Profit Margin	Gross Profit	Profit Margin	Gross Profit	Profit Margin	Gross Profit	Profit Margin
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
<b>Gross Profit &amp; Gross Profit Margin</b>										
Event content marketing	81,590	34.8	28,009	20.9	46,558	34.2	210	24.1	14,361	32.4
Digital content marketing	5,409	37.0	14,746	33.7	18,099	34.8	6,724	34.5	12,642	33.1
<b>Total</b>	<b>86,999</b>	<b>34.9</b>	<b>42,755</b>	<b>24.0</b>	<b>64,657</b>	<b>34.4</b>	<b>6,934</b>	<b>34.0</b>	<b>27,003</b>	<b>32.7</b>

The gross profit margin of our event content marketing projects was approximately 34.8%, 20.9%, 34.2%, 24.1% and 32.4%, respectively, for 2019, 2020, 2021, 4M2021 and 4M2022, while the gross profit margin of our digital content marketing projects remained relatively stable at approximately 37.0%, 33.7%, 34.8%, 34.5% and 33.1%, respectively, for the same periods. In 2020, due to COVID-19 social distancing restrictions (such as



## FINANCIAL INFORMATION

restrictions imposed on the number of attending participants) which led to delay and cancellation of certain projects, or reduced sponsorship from customers for certain projects hosted while we had incurred certain costs in those projects. As a result, the overall gross profit margin of our event content marketing projects decreased in 2020 compared to 2019. In particular, we recorded a gross loss for three event content marketing projects in 2020. In 2021, our gross profit margin from event content marketing projects was similar to 2019 primarily due to the ease of COVID-19 restrictions and we had included protective clause in our business arrangements with our customers and suppliers to mitigate the impact of COVID-19 restrictions on our operations and financial conditions. Our gross profit margin from event content marketing projects for 4M2021 was lower than for 4M2022 primarily because the only event content marketing project we had for 4M2021, which was scheduled to be held in Fujian Province, was delayed as a result of COVID-19 pandemic, which led to reduced sponsorship from sponsoring customers, while we had incurred certain costs in the project as planned.

Below table sets forth the breakdown of gross profit and gross profit margin of our content marketing projects by ownership of IP contents for the periods indicated:

	For the year ended 31 December						For the four months ended 30 April				
	2019		2020		2021		2021		2022		
	Gross		Gross		Gross		Gross		Gross		
	Gross Profit	Profit Margin	Gross Profit	Profit Margin	Gross Profit	Profit Margin	Gross Profit	Profit Margin	Gross Profit	Profit Margin	
RMB'000		%		RMB'000		%		RMB'000		%	
<i>(unaudited)</i>											
<b>Gross Profit &amp; Gross Profit Margin</b>											
Self owned IP content marketing	13,409	38.7	11,601	22.3	21,023	35.7	5,096	34.5	12,081	32.9	
Third party IP content marketing	73,590	34.3	31,154	24.7	43,634	33.7	1,838	32.9	14,922	32.6	
<b>Total</b>	<b>86,999</b>	<b>34.9</b>	<b>42,755</b>	<b>24.0</b>	<b>64,657</b>	<b>34.4</b>	<b>6,934</b>	<b>34.0</b>	<b>27,003</b>	<b>32.7</b>	

The gross profit margin of our self owned IP content marketing projects was approximately 38.7%, 22.3%, 35.7%, 34.5% and 32.9%, for 2019, 2020, 2021, 4M2021 and 4M2022, respectively, and the gross profit margin of our third party IP content marketing projects was approximately 34.3%, 24.7%, 33.7%, 32.9% and 32.6%, respectively, during the same periods. The gross profit margins of our self owned IP content marketing projects and that of our third party IP content marketing projects dropped significantly in 2020 primarily due to reduction of sponsorship from customers for certain content marketing projects hosted as a result of COVID-19 restrictions while we incurred the respective costs as scheduled and planned. Save for 2020, the gross profit margins of both self owned IP content marketing and third party IP content marketing projects were relatively stable during the Track Record Period.

## FINANCIAL INFORMATION

### *Digital Marketing*

For digital marketing services, the primary costs represent the costs of obtaining advertising resources from advertising media channels. Below table sets out a breakdown of the gross profit and gross profit margin of our digital marketing services by advertising media channel for the periods indicated:

	For the year ended 31 December						For the four months ended 30 April			
	2019		2020		2021		2021		2022	
	Gross		Gross		Gross		Gross		Gross	
	Gross	Profit	Gross	Profit	Gross	Profit	Gross	Profit	Gross	Profit
Profit Margin		Profit Margin		Profit Margin		Profit Margin		Profit Margin		
RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	
<i>(unaudited)</i>										
<b>Gross Profit &amp; Gross Profit Margin</b>										
Advertising with										
NetEase	14,755	51.3	12,955	36.3	21,424	48.6	6,960	43.9	8,596	56.3
Advertising with other channels	7,352	21.5	2,855	7.6	6,993	15.9	2,765	18.6	1,774	18.3
<b>Total</b>	<b>22,107</b>	<b>35.1</b>	<b>15,810</b>	<b>21.6</b>	<b>28,417</b>	<b>32.3</b>	<b>9,725</b>	<b>31.6</b>	<b>10,370</b>	<b>41.5</b>

With our advertising through NetEase (網易), we are able to better control our costs when utilising such channel for our digital marketing projects and generally has a higher gross profit margin. The gross profit margin of our digital marketing projects utilising NetEase (網易) was approximately 51.3%, 36.3%, 48.6%, 43.9% and 56.3%, respectively, for 2019, 2020, 2021, 4M2021 and 4M2022, which was higher than the gross profit margin of our digital marketing projects utilising other advertising channels at approximately 21.5%, 7.6%, 15.9%, 18.6% and 18.3%, respectively, for the same periods.

We recorded a lower gross profit margin for our digital marketing projects both utilising NetEase (網易) and other advertising channels in 2020 as compared to 2019. Our gross profit margin of digital marketing projects utilising NetEase (網易) increased from approximately 36.3% in 2020 to 48.6% in 2021, while our gross profit margin for our digital marketing projects utilising other advertising channels increased from approximately 7.6% in 2020 to 15.9% in 2021. Our gross profit margin of digital marketing projects utilising NetEase (網易) increased from approximately 43.9% for 4M2021 to 56.3% for 4M2022, while our gross profit margin of digital marketing projects utilising other advertising channels remained relatively stable at approximately 18.6% and 18.3% for 4M2021 and 4M2022, respectively.

## FINANCIAL INFORMATION

For digital marketing projects utilising our cooperation arrangement with NetEase (網易), we were required to pay a fixed fee to NetEase (網易) to acquire the rights for certain advertising resources in designated regions in the PRC. Given we had achieved success in our cooperation arrangement with NetEase (網易) in Xiamen city and Zhangzhou city, we further extended our cooperation arrangement with NetEase (網易) to Shangrao city, Jiangxi Province in 2020. We initially expected to target companies in the real estate industry in Jiangxi Province and we expected to increase our marketing efforts in serving corporate customers in real estate industry. Nevertheless, the performance in Shangrao city did not meet our initial expectation in the fourth quarter given the then weakening real estate market sentiment in Shangrao city and thereby resulted in lower gross profit margin in 2020. Although our cooperation arrangement with NetEase (網易) in Shangrao city also adopted the same cooperation arrangement as that in Xiamen city and Zhangzhou city in which we are required to pay a fixed fee to NetEase (網易) to acquire the rights for certain advertising resources, the actual orders received from customers to place advertisement in Shangrao city fell short of our Group's expectation due to the reasons mentioned above, resulted in lower revenue generated from our cooperation arrangement with NetEase (網易) in Shangrao city. Given the fixed fee payment under the cooperation arrangement is not dependent on the number of advertisements we placed with NetEase (網易), the lower revenue generated from placing advertisements in Shangrao city as a result of overall reduced demand due to weakening real estate market sentiment led to lower gross profit margin compared to those utilising our cooperation arrangement with NetEase (網易) in Xiamen city and Zhangzhou city. In view of the performance of our cooperation arrangement with NetEase (網易) in Shangrao city in 2020, we adopted more stringent cost control measures in the promotion of such channel in Shangrao city in 2021 and this resulted in increase of gross profit margin in 2021 compared to 2020. However, our gross profit margin of digital marketing projects utilising our cooperation arrangement with NetEase (網易) in Shangrao city was still less than those utilising our cooperation arrangement with NetEase (網易) in Xiamen city and Zhangzhou city. As such, we decided not to conduct further digital marketing projects utilising our cooperation arrangement with NetEase (網易) in Shangrao city for 4M2022, which resulted in higher total gross profit margin of our digital marketing projects utilising NetEase (網易). Upon the expiry of the media channel cooperation agreement with NetEase (網易) for Shangrao city on 30 April 2022, we did not sign a new agreement for Shangrao city.

For digital marketing projects utilising other advertising channels, we entered into a one year cooperation agreement with a leading online media company in 2020 where we would receive greater discounts when we met the sales target agreed with the media company. However, the demand from our customers to promote on such channel was below expectation. Eventually, we did not enjoy the discount we initially anticipated and thereby we recorded lower gross profit margin of 7.6% in 2020 as compared to that of 21.5% in 2019. In view of the foregoing, we then ceased our cooperation with such online media company. Nonetheless, the gross profit margin in 2021 was slightly lower than that in 2019, mainly attributable to (i) change of terms and policies of a media channel company in June 2021 which resulted in lower gross profit margin utilising channel from such media channel company during the year; and (ii) our adoption of preferential pricing strategies to attract new customers. Our gross profit margin of digital marketing projects utilising other advertising channels remained relatively stable at 18.6% and 18.3% for 4M2021 and 4M2022.

## FINANCIAL INFORMATION

### *Public Relations Event Planning and Media Advertising*

The gross profit margin of our public relations event planning projects remained relatively stable at approximately 36.7% and 35.0% for 2019 and 2020, respectively, but increased to approximately 41.1% in 2021. We recorded a higher gross profit margin in 2021 primarily due to a project with a high contract amount for which we were mainly responsible for the design and planning of such project and did not incur any costs of production or materials. Our gross profit margin of public relations event planning projects increased from approximately 29.5% for 4M2021 to 45.8% for 4M2022 primarily due to we had five public relations event planning projects which we were mainly responsible for the design, planning and preparation of promotional materials without the need to incur high production and material cost.

The gross profit margin for our media advertising projects remained relatively stable at approximately 12.5% and 12.8% for 2019 and 2020, respectively, but increased to approximately 17.0% in 2021. We recorded a higher gross profit margin in 2021 primarily attributable to a new advertising channel that we secured at a competitive cost. Our gross profit margin of media advertising projects remained relatively stable at approximately 13.8% and 13.6% for 4M2021 and 4M2022, respectively.

### **Other Revenue**

The following table sets forth a breakdown of our other revenue for the periods indicated:

	For the year ended 31 December			For the four months ended 30 April	
	2019	2020	2021	2021	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>				
<b>Other Revenue</b>					
Government grants	4,922	3,349	3,092	651	2
Bank interest income	940	2,190	1,550	647	568
Additional value added tax input deduction	489	959	3,815	1,731	1,179
Gain on early termination of a lease	–	–	29	29	–
Others	23	76	19	17	5
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total</b>	<b><u>6,374</u></b>	<b><u>6,574</u></b>	<b><u>8,505</u></b>	<b><u>3,075</u></b>	<b><u>1,754</u></b>

## FINANCIAL INFORMATION

Our other revenue consists of government grants, bank interests income, additional value added tax (“VAT”) input deduction, gain on early termination of a lease and others. Government grants mainly represent grants received from the PRC local government authority as incentives to our Group for the proposed listing of the shares of Xiamen Many Idea on ChiNext, for our development in culture and creative industries, and our business development with advanced technology. VAT input deduction primarily represents the utilisation of VAT tax credits under the Announcement on Relevant Policies for Deepening the Value-Added Tax Reform (關於深化增值稅改革有關政策的公告). Gain on early termination of a lease refers to the gain recognised from early termination of lease agreement for one of our office premises.

### Selling and Marketing Expenses

The following table sets forth a breakdown of our selling and marketing expenses, in terms of amount and as a percentage to our total revenue, for the periods indicated:

	For the year ended 31 December						For the four months ended 30 April			
	2019		2020		2021		2021		2022	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
<b>Selling and Marketing Expenses</b>										
Salaries and staff benefits	7,160	1.8	7,578	2.5	3,590	1.0	1,309	1.8	682	0.5
Entertainment and travelling expenses	3,418	0.9	2,267	0.7	2,530	0.7	468	0.7	449	0.3
Amortisation and depreciation	3,704	0.9	3,631	1.2	2,484	0.7	1,037	1.5	709	0.5
Others	1,740	0.4	1,913	0.6	1,365	0.4	401	0.6	420	0.3
<b>Total</b>	<b>16,022</b>	<b>4.1</b>	<b>15,389</b>	<b>5.0</b>	<b>9,969</b>	<b>2.8</b>	<b>3,215</b>	<b>4.6</b>	<b>2,260</b>	<b>1.6</b>

Our selling and marketing expenses primarily consist of: (i) salaries and staff benefits of our marketing and technical support staff, (ii) entertainment and travelling expenses which primarily represent entertainment, accommodation and travelling expenses, (iii) amortisation and depreciation which mainly represent depreciation of equipment, vehicles and renovation of our leased properties, depreciation of our right-of-use assets of our leases and amortisation of computer software and (iv) other expenses which include, among others, property management fees, office expenses and local transportation expenses.

## FINANCIAL INFORMATION

### Administrative Expenses

The following table sets forth a breakdown of our administrative expenses, in terms of amount and as a percentage of our total revenue, for the periods indicated:

	For the year ended 31 December						For the four months ended 30 April			
	2019		2020		2021		2021		2022	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
<b>Administrative Expenses</b>										
Staff costs and benefits	7,326	1.9	7,716	2.5	7,484	2.1	2,369	3.4	2,216	1.5
Legal and professional fees	3,678	0.9	4,799	1.6	633	0.2	347	0.5	106	0.1
Amortisation and depreciation	1,766	0.5	1,729	0.6	1,356	0.4	535	0.7	409	0.3
Research and development cost	-	-	-	-	4,737	1.3	949	1.4	2,857	2.0
Other taxes	1,862	0.5	401	0.1	873	0.2	39	0.1	255	0.2
Others	2,237	0.6	1,668	0.5	1,830	0.5	437	0.6	309	0.2
<b>Total</b>	<b>16,869</b>	<b>4.3</b>	<b>16,313</b>	<b>5.3</b>	<b>16,913</b>	<b>4.8</b>	<b>4,676</b>	<b>6.7</b>	<b>6,152</b>	<b>4.3</b>

Our administrative expenses primarily consist of: (i) staff costs and benefits which mainly represent the salaries of our administrative employees, training expenses and labour union fees, (ii) legal and professional fees which mainly represent our legal and professional fees incurred in relation to our business operation and the intended listing of Xiamen Many Idea on ChiNext, (iii) amortisation and depreciation which mainly represent depreciation of equipment, vehicles and renovation of our leased properties, depreciation of our right-of-use assets of our leases and amortisation of computer software, (iv) research and development costs which mainly represent the salaries of our employees for the research and development of our Content Engine platform; (v) other taxes which mainly represents urban maintenance and construction tax and stamp duties and (vi) other expenses.

### Other gains and losses

We recorded other gains amounted to approximately RMB1.4 million in 2021, which mainly represents the write-back of trade payables during the year. For 4M2022, we recorded other losses of approximately RMB2.7 million, which represents exchange losses from the proceeds from some of the Pre-IPO Investments during the period.

### Net Provision for Impairment Loss on Trade Receivables

For 2019, 2020, 2021, 4M2021 and 4M2022, our net provision for impairment loss on trade receivables amounted to RMB3.7 million, RMB11.5 million, RMB5.8 million, RMB7.8 million and RMB8.8 million, respectively.

## FINANCIAL INFORMATION

### Fair Value Changes of Convertible Bond

Our fair value change of convertible bond represents the gain or loss in fair value of the Pre-HKIPO Loans.

### Finance Costs

Our finance costs primarily consist of (i) interest expenses on bank borrowing, (ii) interest expenses on loan from third parties, (iii) interest expenses on loan from a Shareholder, (iv) imputed interest expenses on convertible bonds and (v) interest expenses on lease liabilities.

Our interest expenses on loan from third parties represent the interest expenses on the loans from two Independent Third Parties for the aggregate principal amount of approximately RMB101.3 million pursuant to three loan agreements (the “**Third Party Loan Agreements**”) entered into on 20 January 2022 with the two Independent Third Parties. In view that 55% of the consideration, being the remaining consideration of the Business Transfer, should be settled prior to the lodging of the Company’s listing application to the Hong Kong Stock Exchange which was expected to take place in January 2022 while we were in negotiation with some of our pre-IPO investors in respect of their pre-IPO investments, we entered into the Third Party Loan Agreements with the lenders and applied such loans to settle the remaining consideration of the Business Transfer. One of the Independent Third Parties is a company which engages in wholesale of car parts and electrical appliances (the “**First Lender**”), and its principal place of business is in Xiamen City. One of its shareholders is a shareholder of one of our suppliers for each period of the Track Record Period. We became acquainted with the First Lender through Mr. Liu as its supervisor is a sibling of Mr. Liu’s mother. The other Independent Third Party is a company which engages in leasing and sale of solar photovoltaic system (the “**Second Lender**”), and its principal place of business is in Jiangxi Province. One of its ultimate beneficial owners (the “**Second Lender Shareholder**”) is a director of Xiamen Vision and an ultimate beneficial owner of a shareholder of Xiamen Vision. The Second Lender Shareholder is also the ultimate beneficial owner of the landlord of our leased property in Shangrao city, Jiangxi Province. Another ultimate beneficial owner of the Second Lender is also a shareholder of one of our suppliers during the Track Record Period. We became acquainted with the Second Lender through Mr. Liu and Ms. Huang Tingting as the Second Lender Shareholder is an acquaintance of Mr. Liu and Ms. Huang Tingting. The terms of such Third Party Loan Agreements were for duration of 6 months, with interest rate being (i) zero for the first three months; and (ii) 2% per month for the remaining three months. All such loans were unsecured in nature. We believe they provided such loans to us as they are familiar with our business operations and have confidence in our ability to repay the loans. The loans were fully repaid as at 6 June 2022.

Our interest expenses on loan from a Shareholder represent the interest expenses on the loan of principal amount of US\$3 million from Asia One Developments Co., Ltd. (“**Asia One**”). Please refer to the section headed “History, Reorganisation and Corporate Structure — Reorganisation — 13. Pre-IPO Investment: Further subscription and allotment of Shares” in this prospectus for further information. Our imputed interest expenses on convertible bonds relate to the interest expenses from the Pre-HKIPO Loans.



## FINANCIAL INFORMATION

Please refer to the section headed “History, Reorganisation and Corporate Structure — Pre-IPO Investment by way of Pre-HKIPO Loans” in this prospectus for further information.

We recorded finance costs of RMB568,000, RMB1.1 million, RMB3.8 million, RMB1.5 million and RMB4.2 million, respectively, for 2019, 2020, 2021, 4M2021 and 4M2022, and of which, (i) our interest expenses on bank borrowings amounted to RMB27,000, RMB684,000, RMB3.5 million, RMB1.4 million and RMB5,000, respectively, for the same periods, (ii) our interest expenses on loan from third parties amounted to nil, nil, nil, nil and RMB1.5 million, respectively, for the same periods, (iii) our interest expenses on loan from a Shareholder, Asia One, amounted to nil, nil, nil, nil and RMB810,000, respectively, for the same periods, (iv) our imputed interest expenses on convertible bonds amounted to nil, nil, nil, nil and RMB1.8 million, respectively, for the same periods, and (v) our interest expenses on lease liabilities amounted to RMB541,000, RMB406,000, RMB328,000, RMB89,000 and RMB111,000, respectively, for the same periods.

### Listing Expenses

For 2019, 2020, 2021, 4M2021 and 4M2022, our listing expenses in relation to the Listing amounted to nil, nil, RMB8.7 million, nil and RMB5.4 million, respectively.

### Income Tax Expenses

For 2019, 2020, 2021, 4M2021 and 4M2022, our income tax expenses were RMB18.6 million, RMB5.2 million, RMB14.6 million, RMB1.3 million and RMB3.8 million, respectively. During the Track Record Period, certain subsidiaries of our Group were entitled to certain preferential tax rates. Please refer to Note 15 in the Accountants’ Report in Appendix I to this prospectus for further information of the preferential tax rates we enjoyed during the Track Record Period.

Our weighted average applicable tax rate for 2019, 2020, 2021, 4M2021 and 4M2022 was 18.8%, 14.0%, 18.4%, 21.5% and 20.1%, respectively.

## REVIEW OF HISTORICAL RESULTS OF OPERATIONS

### Year Ended 31 December 2020 Compared to Year Ended 31 December 2019

#### *Revenue*

Our total revenue decreased by RMB82.7 million, or approximately 21.1%, from RMB391.0 million in 2019 to RMB308.4 million in 2020, primarily due to the decrease in revenue in our content marketing services, public relations event planning services and media advertising services as a result of the various COVID-19 restrictions which significantly impacted on our services through offline or traditional advertising channels. Our revenue from content marketing services decreased from RMB249.2 million in 2019 to RMB178.1 million in 2020, primarily due to temporary postponement or cancellation of some of our content marketing projects. For 2020, three and 11 of our content marketing projects were delayed or cancelled. For our digital marketing services, our revenue from

## FINANCIAL INFORMATION

digital marketing services increased by RMB10.2 million, or approximately 16.1%, from RMB63.0 million in 2019 to RMB73.1 million in 2020, primarily as a result of COVID-19 which shifted the spending of some of our customers from utilising offline and traditional marketing channels to online marketing channels. Please refer to the paragraph headed “— Key Components of Our Consolidated Statements of Profit or Loss — Revenue” in this section of this prospectus for detailed analysis.

### *Cost of Revenue*

Our total cost of revenue decreased by RMB28.0 million, or approximately 10.7%, from RMB261.7 million in 2019 to RMB233.7 million in 2020, which was primarily due to decrease in revenue. In terms of components breakdown, media advertising resources costs decreased by RMB20.0 million, or approximately 11.3%, from RMB177.6 million in 2019 to RMB157.6 million in 2020, as a significant portion of the media advertising resources costs was used in content marketing projects which recorded an approximately 28.5% decrease in revenue from 2019 to 2020. Our production costs decreased by RMB8.6 million, or approximately 12.8%, from RMB66.9 million for 2019 to RMB58.3 million for 2020 which was generally in line with our decrease in revenue.

### *Gross Profit and Gross Profit Margin*

As a result of the foregoing, our total gross profit decreased by RMB54.7 million, or approximately 42.3%, from RMB129.3 million in 2019 to RMB74.6 million in 2020. Our overall gross profit margins decreased from approximately 33.1% in 2019 to approximately 24.2% in 2020, primarily due to the lower gross profit margin for our content marketing services and digital marketing services. Please refer to the paragraph headed “— Key Components of our Consolidated Statements of Profit or Loss — Gross Profit and Gross Profit Margin” in this section of this prospectus for further analysis.

### *Other Revenue*

Our other revenue remained relatively stable at RMB6.4 million and RMB6.6 million in 2019 and 2020, respectively.

### *Selling and Marketing Expenses*

Our selling and marketing expenses remained relatively stable at RMB16.0 million in 2019 to RMB15.4 million in 2020, and our selling and marketing expenses as a percentage to our total revenue remained relatively stable at approximately 4.1% in 2019 and 5.0% in 2020.

### *Administrative Expenses*

Our administrative expenses remained relatively stable at RMB16.9 million and RMB16.3 million in 2019 and 2020, respectively, and our administrative expenses as a percentage to our total revenue also remained relatively stable at approximately 4.3% in 2019 and 5.3% in 2020.

## FINANCIAL INFORMATION

### *Net Provision for Impairment Loss on Trade Receivables*

Our net provision for impairment loss on trade receivables increased by RMB7.8 million, or approximately 213.1%, from RMB3.7 million in 2019 to RMB11.5 million in 2020, primarily as a result of increase in trade receivables which increased from RMB148.1 million as at 31 December 2019 to RMB176.1 million as at 31 December 2020. Such increase in trade receivables was primarily due to the impact of COVID-19 on our customers' business and operations which prolonged the time for their payments to us. Further, in view of the impact of COVID-19, we have made a larger amount of provision for impairment loss on our trade receivable.

### *Finance Costs*

Our finance costs increased by RMB522,000, or approximately 91.9%, from RMB568,000 in 2019 to RMB1.1 million in 2020, primarily due to increase in bank borrowings which in 2020.

### *Income Tax Expenses*

Our income tax expenses decreased by RMB13.4 million, or approximately 72.2%, from RMB18.6 million in 2019 to RMB5.2 million in 2020, primarily as a result of (i) decrease in profit before income tax expense by approximately 62.5%, from RMB98.6 million in 2019 to RMB36.9 million in 2020; and (ii) a deferred tax credit of RMB3.2 million in 2020 as compared to deferred tax expenses of RMB581,000 in 2019 as a result of increase of expected credit loss recognised on trade receivables. Our weighted average applicable tax rate decreased from 18.8% in 2019 to 14.0% in 2020 which was primarily due to the deferred tax credit granted to one of our subsidiaries arising from recognition for expected credit loss on trade receivables during the corresponding year.

### *Profit for the Year*

As a result of the foregoing, our profit for the year decreased by RMB48.2 million, or approximately 60.3%, from RMB80.0 million in 2019 to RMB31.8 million in 2020.

## **Year Ended 31 December 2021 Compared to Year Ended 31 December 2020**

### *Revenue*

Our total revenue increased by RMB44.9 million, or approximately 14.6%, from RMB308.4 million in 2020 to RMB353.3 million in 2021, primarily due to increase in revenue in our content marketing services, digital marketing services, media advertising services and SaaS interactive marketing services which was partially offset by a decrease in revenue in our public relations event planning services. Increase in revenue from our content marketing services was primarily due to our customers' increased spending in promotion and marketing of their brands and products through our digital content marketing projects. Increase in revenue from our digital marketing services was primarily due to increase in our customers' continued demand for marketing utilising online marketing channels and the COVID-19 pandemic further accelerated the digitalisation

## FINANCIAL INFORMATION

process in the PRC. Revenue from our media advertising services recuperated in 2021 primarily due to the general ease of COVID-19 restrictions and people started to increase visiting public venues which we believe led to our customers demand to increase spending on traditional advertising channels. We also recorded revenue of approximately RMB10.6 million attributable to our SaaS interactive marketing services. Please refer to the paragraph headed “— Key Components of Our Consolidated Statements of Profit or Loss — Revenue” in this section of this prospectus for further analysis.

### *Cost of Revenue*

Our total cost of revenue increased by RMB5.0 million, or approximately 2.2%, from RMB233.7 million in 2020 to RMB238.8 million in 2021, primarily due to increase in (i) cost of obtaining advertising resources from advertising media channels or their agents in relation to provision of digital marketing service and media advertising services which was in line with the growing revenue trend of the respective business segments and (ii) addition of SaaS cost for our SaaS interactive marketing services which was officially launched in June 2021.

### *Gross Profit and Gross Profit Margin*

Our total gross profit increased by RMB39.9 million, or approximately 53.4%, from RMB74.6 million in 2020 to RMB114.5 million in 2021. Our overall gross profit margin increased from 24.2% in 2020 to 32.4% in 2021 primarily due to (i) the increase in gross profit from our content marketing service, digital marketing service and media advertising services; and (ii) the launch of our SaaS interactive marketing services in June 2021. Please refer to the paragraph headed “— Key Components of our Consolidated Statements of Profit or Loss — Gross Profit and Gross Profit Margin” in this section of this prospectus for further analysis.

### *Other Revenue*

Our other revenue increased by RMB1.9 million, or approximately 29.4%, from RMB6.6 million in 2020 to RMB8.5 million in 2021, which was primarily due to increase in VAT input deduction by utilising the VAT tax credit under the Announcement on Relevant Policies for Deepening the Value-Added Tax Reform (關於深化增值稅改革有關政策的公告).

### *Selling and Marketing Expenses*

Our selling and marketing expenses decreased by RMB5.4 million, or approximately 35.2%, from RMB15.4 million in 2020 to RMB10.0 million in 2021. Such decrease was mainly due to an internal staff restructuring with an aim to reduce the number of junior sales and marketing staff to improve human resource efficiency. As a percentage of our total revenue, our selling and marketing expenses decreased from approximately 5.0% in 2020 to approximately 2.8% in 2021.

## FINANCIAL INFORMATION

### *Administrative Expenses*

Our administrative expenses increased by RMB0.6 million, or approximately 3.7%, from RMB16.3 million in 2020 to RMB16.9 million in 2021, primarily due to our deployment of additional resources to SaaS research and development with research and development cost of RMB4.7 million was incurred for 2021 and partially offset by decrease in legal and professional fees of RMB4.2 million as there were no longer any legal and professional fees incurred in 2021 in relation to the intended listing of Xiamen Many Idea on ChiNext.

As a percentage of our total revenue, our administrative expenses remained relatively stable at approximately 5.3% and 4.8% in 2020 and 2021, respectively.

### *Net Provision for Impairment Loss on Trade Receivables*

Our net provision for impairment loss on trade receivables decreased by RMB5.7 million, or approximately 49.8%, from RMB11.5 million in 2020 to RMB5.8 million in 2021 primarily due to less delay in settlement of our trade receivables in 2021 attributable to our greater credit control to recover trade receivables from our customers.

### *Finance Costs*

Our finance costs increased by RMB2.7 million, or approximately 247.4%, from RMB1.1 million in 2020 to RMB3.8 million in 2021, primarily as a result of the timing of when we incurred our bank borrowings. For 2020, we had bank borrowings starting in the second half of the year while for 2021, we had bank borrowings for the majority of the year which led to greater interest expenses.

### *Listing Expenses*

Our listing expenses in 2021 was RMB8.7 million, representing expenses we incurred in relation to the Listing.

### *Income Tax Expenses*

Our income tax expenses increased by RMB9.5 million, or approximately 183.5%, from RMB5.2 million in 2020 to RMB14.6 million in 2021, primarily as a result of the increase in our profit before tax in 2021.

### *Profit for the Year*

As a result of the foregoing, our profit for the year increased by RMB33.0 million, or approximately 103.7%, from RMB31.8 million in 2020 to RMB64.7 million in 2021.

## FINANCIAL INFORMATION

### Four Months Ended 30 April 2022 Compared to Four Months Ended 30 April 2021

#### *Revenue*

Our total revenue increased by RMB73.6 million, or approximately 104.8%, from RMB70.2 million for 4M2021 to RMB143.8 million for 4M2022, primarily due to increase in revenue from our content marketing services, media advertising services and SaaS interactive marketing services which was partially offset by a decrease in revenue from our digital marketing services and public relations event planning services. Increase in revenue from our content marketing services was primarily due to the completion of five event content marketing projects in 4M2022 where we were able to secure a total of 19 sponsorships, as compared to one completed event content marketing project in 4M2021 where we only secured three sponsorships. Increase in revenue from our media advertising services was primarily due to (i) substantial increase in bus advertisements from RMB1.1 million in 4M2021 to RMB4.5 million in 4M2022; (ii) engagement of our previous customer who previously engaged us for public relations event planning services to promote their brand through our media advertising services in 4M2022; and (iii) increase in spending by some of our existing customers on our media advertising services. We also recorded revenue of RMB9.0 million from our SaaS interactive marketing services for 4M2022 which was officially launched in June 2021. Please refer to the paragraph headed “— Key Components of Our Consolidated Statements of Profit or Loss — Revenue” in this section of this prospectus for further analysis.

#### *Cost of Revenue*

Our total cost of revenue increased by RMB47.7 million, or approximately 95.4%, from RMB50.0 million for 4M2021 to RMB97.7 million for 4M2022, primarily due to increase in revenue contributed by content marketing. In terms of cost breakdown, the costs of obtaining marketing rights from IP contents providers increased from RMB2.8 million for 4M2021 to RMB21.5 million for 4M2022 primarily as a result of the five third party IP content marketing projects we held for 4M2022 where we had to obtain the marketing rights for those projects. We also had addition of SaaS cost for our SaaS interactive marketing services which was officially launched in June 2021. Our staff costs increased from RMB1.3 million for 4M2021 to RMB2.4 million for 4M2022 as we increased our staff resources to our projects given we had several projects delayed from 2021 to 4M2022.

#### *Gross Profit and Gross Profit Margin*

Our total gross profit increased by RMB25.9 million, or approximately 128.0%, from RMB20.2 million for 4M2021 to RMB46.1 million for 4M2022. Our average gross profit margin increased from 28.8% for 4M2021 to 32.1% for 4M2022 primarily due to (i) substantial increase in revenue from content marketing services which had a higher gross profit margin than our average gross profit margin; (ii) the launch of our SaaS interactive marketing services in June 2021 which had a relatively high gross profit margin; (iii) increase in gross profit margin from digital marketing services as a result of our cessation of cooperation arrangement with NetEase (網易) in Shangrao city which was less profitable than our cooperation arrangement with NetEase (網易) in Xiamen city and



## FINANCIAL INFORMATION

Zhangzhou city; and (iv) increase in gross profit margin from public relations event planning services as we were engaged in five projects in which we were mainly responsible for design, planning and preparation of promotional materials without the need to incur high production and material costs. Please refer to the paragraph headed “— Key Components of our Consolidated Statements of Profit or Loss — Gross Profit and Gross Profit Margin” in this section of this prospectus for further analysis.

### *Other Revenue*

Our other revenue decreased by RMB1.3 million, or approximately 43.0%, from RMB3.1 million for 4M2021 to RMB1.8 million for 4M2022, which was primarily due to (i) decrease in government grants as we did not receive the government grants for enhancement of high quality development in culture and creative industries and for sustainable business development with high-technology and advanced technology which we received for 4M2021; and (ii) decrease in VAT input deduction utilising the VAT tax credit under the Announcement on Relevant Policies for Deepening the Value-Added Tax Reform (關於深化增值稅改革有關政策的公告).

### *Selling and Marketing Expenses*

Our selling and marketing expenses decreased by RMB0.9 million, or approximately 29.7%, from RMB3.2 million for 4M2021 to RMB2.3 million for 4M2022. Such decrease was mainly due to (i) decrease in salaries and staff benefits as a result of the temporary arrangement to have certain of our selling and marketing employees to assist with the several projects delayed from 2021 to 4M2022, in particular increase of content marketing project for 4M2022; and (ii) the decrease in depreciation of renovation of our leased properties, which was fully recognised by 2021. As a percentage of our total revenue, our selling and marketing expenses decreased from approximately 4.6% for 4M2021 to approximately 1.6% for 4M2022.

### *Administrative Expenses*

Our administrative expenses increased by RMB1.5 million, or approximately 31.6%, from RMB4.7 million for 4M2021 to RMB6.2 million for 4M2022, primarily due to our deployment of additional resources to SaaS research and development with research and development cost of RMB2.9 million for 4M2022 as compared to RMB0.9 million for 4M2021. As a percentage of our total revenue, our administrative expenses remained relatively stable at approximately 6.7% and 4.3% for 4M2021 and 4M2022, respectively.

### *Net Provision for Impairment Loss on Trade Receivables*

Our net provision for impairment loss on trade receivables increased by RMB0.9 million, or approximately 11.9%, from RMB7.8 million for 4M2021 to RMB8.8 million for 4M2022 primarily due to increase in trade receivables which was mainly due to substantial increase in revenue contributed by content marketing. As at the Latest Practicable Date, RMB156.1 million or approximately 65.8% of our trade receivables as at 30 April 2022 had been subsequently settled.



## FINANCIAL INFORMATION

### *Fair Value Changes of Convertible Bond*

Our gain in fair value of convertible bond for 4M2022 was RMB759,000, representing the gain in fair value of the Pre-HKIPO Loans in relation to the conversion option derivative. We did not have such loans in 4M2021.

### *Finance Costs*

Our finance costs increased by RMB2.7 million, or approximately 176.6%, from RMB1.5 million for 4M2021 to RMB4.2 million for 4M2022, primarily due to our interest expenses on loans from the Third Party Loan Agreements, our interest expenses on loan from one of our Shareholders, Asia One, and our imputed interest expenses in relation to the Pre-HKIPO Loans. We did not have such loans in 4M2021.

### *Listing Expenses*

Our listing expenses for 4M2022 was RMB5.4 million, representing expenses we incurred in relation to the Listing.

### *Income Tax Expenses*

Our income tax expenses increased by RMB2.5 million, or approximately 194.8%, from RMB1.3 million to RMB3.8 million, primarily as a result of the increase in our profit before tax for 4M2022.

### *Profit for the Period*

As a result of the foregoing, our profit for the period increased by RMB10.6 million, or approximately 221.9%, from RMB4.7 million for 4M2021 to RMB15.3 million for 4M2022.

## LIQUIDITY AND CAPITAL RESOURCES

### **Overview**

During the Track Record Period and up to the Latest Practicable Date, we have funded our cash requirements principally from cash generated from our operating activities, proceeds from the Pre-HKIPO Loans, proceeds from shareholder loan from Asia One, proceeds from the Third Party Loan Agreements and borrowings. In the future, we expect to continue to rely on cash flows from our operating activities, the net proceeds from the Global Offering and other debt to fund our working capital needs and business expansion. As at 31 December 2019, 2020, 2021 and 30 April 2022, we had cash and cash equivalents of RMB116.9 million, RMB45.2 million, RMB50.2 million and RMB86.6 million, respectively.

## FINANCIAL INFORMATION

### Cash Flow

The following table is a condensed summary of our consolidated statements of cash flows and analysis of balances of cash and cash equivalents for the periods indicated:

	For the year ended 31 December			For the four months ended 30 April	
	2019	2020	2021	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				<i>(unaudited)</i>	
Operating profits before working capital changes	107,360	52,684	96,335	16,366	38,635
Changes in working capital	(38,234)	(42,660)	(46,014)	(135,111)	(52,808)
Tax paid	(9,983)	(16,996)	(2,315)	(23)	(22)
<b>Net cash generated from/(used in) operating activities</b>	<b>59,143</b>	<b>(6,972)</b>	<b>48,006</b>	<b>(118,768)</b>	<b>(14,195)</b>
<b>Net cash generated from/(used in) investing activities</b>	<b>47,559</b>	<b>(104,713)</b>	<b>5,884</b>	<b>131,365</b>	<b>(8,558)</b>
<b>Net cash (used in)/generated from financing activities</b>	<b>(3,651)</b>	<b>39,996</b>	<b>(48,946)</b>	<b>40,582</b>	<b>59,336</b>
Net increase/(decrease) in cash and cash equivalents	103,051	(71,689)	4,944	53,179	36,583
Cash and cash equivalents at beginning of year/period	13,881	116,932	45,243	45,243	50,187
Effect of foreign exchange rate changes on cash and cash equivalents	-	-	-	-	(133)
<b>Cash and cash equivalents at end of year/period</b>	<b>116,932</b>	<b>45,243</b>	<b>50,187</b>	<b>98,422</b>	<b>86,637</b>

#### *Net cash generated from/(used in) operating activities*

Cash flows generated from/(used in) operating activities included profit before income tax expense mainly adjusted for (i) depreciation of property, plant and equipment, and right-of-use assets, amortisation of intangible assets, finance costs, interest income, net provisions for impairment loss recognised on trade receivables, fair value changes of conversion option derivative, effect of foreign exchange rate changes and gain on written-back of trade payables, which lead to the operating profits before working capital changes; and (ii) effects of cash flow arising from changes in working capital, primarily include increase in trade receivables, increase or decrease in prepayments, deposits and other receivables, increase or decrease in trade payables, increase or decrease in other payables and accruals and increase or decrease in contract liabilities, which result in cash generated from or used in operations.

## FINANCIAL INFORMATION

For 2019, our net cash generated from operating activities was RMB59.1 million, primarily reflected the profit before income tax expense of RMB98.6 million; negatively adjusted by (i) increase in trade receivables of RMB31.1 million as a result of growth of our business coupled with increase in our revenue; (ii) increase in prepayments, deposits and other receivables of RMB6.5 million as a result of growth of our business coupled with increase in our revenue; and (iii) income tax paid of RMB10.0 million.

For 2020, our net cash used in operating activities was RMB7.0 million, which primarily reflected the profit before income tax expense of RMB36.9 million; and non-cash items mainly adjusted by (i) net provision for impairment loss recognised on trade receivables of RMB11.5 million as a result of the COVID-19 impact on our customers leading to greater provision on trade receivables; and offset by the negative adjustments for (i) increase in trade receivables of RMB28.0 million as a result of slower collection of trade receivables caused by the impact of COVID-19; (ii) increase in prepayments, deposits and other receivables of RMB10.3 million as a result of delay of certain of our projects where we had already prepaid our suppliers; and (iii) income tax paid of RMB17.0 million.

For 2021, our net cash generated from operating activities was RMB48.0 million, which primarily reflected the profit before income tax expense of RMB79.4 million; mainly adjusted by (i) amortisation of intangible assets of approximately RMB6.5 million primarily as a result of our acquisition of copyright licences of IPs and software for SaaS interactive marketing services in 2021; and (ii) increase in contract liabilities of approximately RMB12.2 million, and was partially offset by increase in prepayments, deposits and other receivables of RMB31.4 million, all of which were in line with the growth of our business operation in 2021.

For 4M2022, our net cash used in operating activities was RMB14.2 million, which primarily reflected the profit before income tax expense of RMB19.1 million; adjusted by non-cash items mainly consisting of net provision for impairment loss recognised on trade receivables of RMB8.8 million, and working capital changes mainly consisting of increase in trade receivables of RMB95.7 million mainly due to the impact of COVID-19 on some of our customers' business and operations which prolonged the time for their payments to us and our increase in revenue along with our growth in business in 4M2022, which was partially offset by (i) decrease in prepayments, deposits and other receivables of RMB11.8 million as a result of a number of projects from 2021 were completed during 4M2022; and (ii) increase in trade payables of RMB39.7 million as a result of increase in our revenue. We intend to improve our cash flow position by enhancing our credit control measures including (i) expediting our collection of trade receivables; and (ii) closely monitoring the settlement to suppliers, endeavouring to negotiate more favourable credit terms with them, and maximising the utilisation of the credit terms with them without undermining our relationships with them. For details of our trade and other receivables control measures, please refer to the paragraph headed "— Selected Balance Sheet Items — Trade Receivables" in this section of this prospectus.

## FINANCIAL INFORMATION

### *Net cash generated from/used in investing activities*

Cash flows generated from/(used in) investing activities mainly relate to (i) investment in financial assets at fair value through other comprehensive income which relates to our total equity investments in approximately 17.0729% of Xiamen Vision and approximately 9.0909% of Xiamen Advertising; (ii) increase or decrease in short-term deposits; and (iii) purchase of intangible assets primarily for our SaaS interactive marketing services.

For 2019, our net cash generated from investing activities was RMB47.6 million, which was primarily attributable to (i) net decrease in short-term deposit of RMB50.3 million, and partially offset by (ii) investment in Xiamen Vision and Xiamen Advertising by Xiamen Many Idea amounted to approximately RMB4.1 million.

For 2020, our net cash used in investing activities was RMB104.7 million, which was primarily attributable to net increase in short-term deposit of RMB105.0 million.

For 2021, our net cash generated from investing activities was RMB5.9 million, which was primarily attributable (i) decrease in short-term deposits of RMB130.0 million; and partially offset by (ii) investment in Xiamen Advertising and Xiamen Vision by Xiamen Many Idea amounted to approximately RMB32.8 million; and (iii) purchase of intangible assets of RMB93.8 million including, among others, copyright licences of IPs and acquisition of software for our SaaS interactive marketing business.

For 4M2022, our net cash used in investing activities was RMB8.6 million, which was primarily attributable to purchase of intangible assets of RMB8.5 million for acquisition of software for our SaaS interactive marketing business.

### *Net cash (used in)/generated from financing activities*

Cash flows (used in)/generated from financing activities mainly relate to proceeds and repayment of borrowings, proceeds from issuance of convertible bonds, repayment of principal portion of the lease liabilities, issuance of shares, capital contributions from a beneficial shareholder to a subsidiary, settlement of consideration arising from the Business Transfer and interest paid for our borrowings and our lease liabilities.

For 2019, our net cash used in financing activities was RMB3.7 million, which was primarily attributable to repayment of principal portion of the lease liabilities of RMB3.1 million, which represents payment for our office rentals.

For 2020, our net cash generated from financing activities was RMB40.0 million, which was primarily attributable to proceeds from borrowings of RMB44.8 million, partially offset by repayment of principal portion of the lease liabilities of RMB3.8 million, which represents payment for our office rentals.

## FINANCIAL INFORMATION

For 2021, our net cash used in financing activities was RMB48.9 million, which was primarily attributable to settlement of consideration arising from the Business Transfer of RMB201.6 million, which represented part of the payment paid to Xiamen Many Idea for the Business Transfer, partially offset by capital contributions from a beneficial shareholder to a subsidiary of RMB153.0 million, which represented the payment by Mr. Liu for the 1% interest in Beijing Many Idea Cloud, one of the members of our Group.

For 4M2022, our net cash generated from financing activities was RMB59.3 million, which was primarily attributable to (i) proceeds from borrowings of RMB130.4 million; (ii) proceeds from issuance of convertible bonds of RMB44.4 million which represented the proceeds from the Pre-HKIPO Loans; and (iii) issuance of share of RMB69.7 million which primarily related to the pre-IPO investment from Asia One in its subscription of our Shares, and was partially offset by (i) repayment of borrowings of RMB53.9 million; and (ii) the settlement of consideration arising from the Business Transfer of RMB130.3 million, which represented the settlement of the remaining consideration paid to Xiamen Many Idea for the Business Transfer.

### SELECTED BALANCE SHEET ITEMS

#### Intangible Assets

The net book value of our intangible assets was RMB410,000, RMB317,000, RMB87.6 million and RMB92.1 million as at 31 December 2019, 2020 and 2021 and 30 April 2022, respectively. The increase in intangible assets as at 30 April 2022 was primarily from acquisition of software for our SaaS interactive marketing services for 4M2022. In particular, we entered into two software development agreements during 4M2022, pursuant to which we cooperated with interactive marketing contents development companies to develop interactive marketing tools for us for an aggregate amount of RMB8.5 million. The increase in intangible asset as at 31 December 2021 was primarily resulted from the acquisition of copyright licences of IPs and software for our SaaS interactive marketing services in 2021. In particular, we entered into IP anime copyrights licensing agreements with Xiamen Miaojun, an Independent Third Party and one of our top five suppliers in 2019 and 2020, pursuant to which we acquired licences for the copyrights of 200 anime IPs for approximately RMB23.3 million, which was determined based on a number of factors, such as (i) annual licensing fees for each IP and number of fans of the IPs on social media; and (ii) the number of views of the video clips associated with the IPs on the relevant online video platforms (such as Tencent, Bilibili and iQIYI); or (iii) exposure of the IPs with reference to the downloading rate of the respective emoji pack, where applicable. We had also considered a number of other available IPs in the market and obtained quotes on the annual licensing fees. The 200 anime IPs we acquired through licensing include, among others, IPs such as LEON (綠豆蛙), LEEONA (粉紅莉安娜), BLOO (螃蟹小藍), SABON (薩蹦蹦). In particular, LEON (綠豆蛙) had a social media fan base of around 60,000 in the last 30 days and more than 68 million views from major media platforms, as at 6 September 2022. For details of the key terms under the IP anime copyrights licensing agreements, please refer to the section headed “Business — Our Suppliers — IP Copyrights Licensing” in this prospectus. We also entered into software development agreements in 2021, pursuant to which we cooperated with interactive marketing contents development companies to develop interactive marketing tools for us

## FINANCIAL INFORMATION

for an aggregate amount of approximately RMB70.5 million. We became acquainted with Xiamen Miaojun and the above interactive marketing contents development companies either through recommendation by peers or through our ordinary procurement process of suppliers. The following table sets out the names, background, location of registered office and registered capital of the interactive marketing contents development companies with which we cooperated in 2021 and for 4M2022 and the relevant contract amount for the software development agreements we entered with them.

Company	Background <sup>(1)</sup>	Location of registered office <sup>(1)</sup>	Approximate registered capital <sup>(1)</sup> (‘000)	Contract amount (‘000)
Zhongyun Technology Co., Ltd.* (中運科技股份有限公司)	A PRC listed company engaging in artificial intelligence development	Guangzhou City	RMB69,718	RMB8,000
Fujian Xunwang Network Technology Co., Ltd.* (福建訊網網絡科技股份有限公司)	A PRC listed company engaging in software development and operation of e-commerce platforms	Quanzhou City	RMB11,000	RMB9,000
Beijing Tengyun Tianxia Science and Technology Co., Ltd.* (北京騰雲天下科技有限公司)	A private company that provides data intelligence products and services	Beijing City	RMB50,000	RMB23,000
Xiamen Guanyou Network Technology Co., Ltd.* (廈門冠遊網路科技有限公司)	A private company engaging in promotion of browser games, development of games and artificial intelligence software development	Xiamen City	RMB500	RMB4,000
Xiamen Chuanyuezhe Network Technology Co., Ltd.* (廈門川越者網路科技有限公司)	A private company engaging in development of games and artificial intelligence software development	Xiamen City	RMB3,300	RMB10,000
Beijing Chuangqi Interactive Technology Co., Ltd.* (北京創奇互動科技有限公司)	A private company that provides online marketing technology and search engine upgrade	Beijing City	RMB10,000	RMB6,000
Fujian Chuangke Xunda Communication Technology Co., Ltd.* (福建省創科訊達通信科技有限公司)	A private company engaging in internet technology development and software development	Fuzhou City	RMB10,000	RMB4,000
Shenzhen Rongqi Moving Line Digital Technology Co., Ltd.* (深圳市融企動線數字科技有限公司)	A private company engaging in information technology development	Shenzhen City	RMB50,000	RMB5,000
Fujian Blue Hat Interactive Entertainment Technology Ltd.* (福建藍帽子互動娛樂科技股份有限公司)	A company listed on NASDAQ that provides animated game development and software development	Xiamen City	RMB31,054	RMB11,000
Jiangsu Paixin Cultural and Creative Co., Ltd.* (江蘇拍信文化創意有限公司)	A private company that provides creative content platform	Wuxi City	RMB10,000	RMB4,000

*Note:*

(1) The information is extracted from or is made reference to public sources.

For our intangible assets, after initial recognition, we determine whether intangible assets are impaired on an annual basis or more frequently if events or changes in circumstance indicate that the carrying amount of these assets exceeds its recoverable amount. As a result, our evaluations in the future on intangible assets at amortised cost may result in material impairment charges. Please refer to the section headed “Risk Factors — Risks Relating to our Business and our Industry — Our intangible assets at amortised cost may become impaired and the amortisation cost incurred could materially and adversely affect our results of operation and financial condition” in this prospectus for further information.

## FINANCIAL INFORMATION

### Net Current Assets

The following table sets forth our current assets and current liabilities of the consolidated statements of financial position as at the respective dates:

	As at 31 December			As at	As at
	2019	2020	2021	30 April 2022	31 August 2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
					<i>(Unaudited)</i>
<b>Current Assets</b>					
Trade receivables	139,552	156,097	147,470	206,917	201,835
Prepayments, deposits and other receivables	8,583	20,822	50,021	39,459	108,749
Contract costs	–	–	84	59	72
Amounts due from related parties	–	–	–	26,637	–
Short-term bank deposits	25,000	130,000	–	–	–
Cash and cash equivalents	116,932	45,243	50,187	86,637	36,779
<b>Total current assets</b>	<b>290,067</b>	<b>352,162</b>	<b>247,762</b>	<b>359,709</b>	<b>347,435</b>
<b>Current Liabilities</b>					
Trade payables	(22,286)	(19,015)	(20,470)	(60,145)	(47,607)
Other payables and accruals	(8,789)	(5,623)	(11,157)	(7,708)	(15,544)
Contract liabilities	(1,163)	(3,276)	(15,493)	(9,645)	(17,316)
Borrowings	–	(44,841)	–	(78,499)	(51,919)
Lease liabilities	(3,755)	(2,553)	(2,907)	(2,990)	(3,097)
Amounts due to a director	–	–	(2)	–	–
Amounts due to related parties	–	–	(130,293)	–	–
Amounts due to investees	(300)	(2,800)	–	–	–
Convertible bonds – liability component	–	–	–	(44,116)	(48,591)
Convertible bonds – conversion option derivative	–	–	–	(3,082)	(876)
Income tax payable	(20,502)	(11,850)	(11,890)	(17,920)	(9,737)
<b>Total current liabilities</b>	<b>(56,795)</b>	<b>(89,958)</b>	<b>(192,212)</b>	<b>(224,105)</b>	<b>(194,687)</b>
<b>Net current assets</b>	<b>233,272</b>	<b>262,204</b>	<b>55,550</b>	<b>135,604</b>	<b>152,748</b>



## FINANCIAL INFORMATION

As at 31 December 2019, 2020, 2021, 30 April 2022 and 31 August 2022, we had net current assets of RMB233.3 million, RMB262.2 million, RMB55.6 million, RMB135.6 million and RMB152.7 million, respectively. We recorded an increase in net current assets by RMB80.0 million from RMB55.6 million as at 31 December 2021 to RMB135.6 million as at 30 April 2022, which was mainly attributable to an increase in current assets by RMB111.9 million and partially offset by an increase in current liabilities of RMB31.9 million. The increase in current assets was mainly due to (i) an increase in trade receivable of RMB59.4 million primarily as a result of the impact of COVID-19 on some of our customers' business and operations which prolonged the time for their payments to us and our increase in revenue along with our growth in business in 4M2022; (ii) increase in amounts due from related parties of RMB26.6 million which represents the amount due from Xiamen Many Idea as a result of continued payments made by a number of our customers to Xiamen Many Idea for the integrated marketing solutions services we provided to them despite the Business Transfer having been completed on 1 December 2021, and such amounts due from related parties have been fully settled as at the Latest Practicable Date; and (iii) increase in cash and cash equivalents of approximately RMB36.5 million. On the other hand, the increase in current liabilities mainly represents (i) increase in borrowings of RMB78.5 million primarily as a result of the loans from the Third Party Loan Agreements, loan from one of our Shareholders, Asia One, and bank borrowings; (ii) increase of convertible bonds of RMB47.2 million which represents the liability portion and conversion option derivative of the issuance of Pre-HKIPO Loans in January 2022; and (iii) increase in trade payables of RMB39.7 million as a result of increase in our revenue, which is partially offset by a decrease in amounts due to related parties of RMB130.3 million as a result of settlement of the remaining consideration in relation to the Business Transfer. Our net current assets increased from RMB135.6 million as at 30 April 2022 to RMB152.7 million as at 31 August 2022, which was primarily due to (i) an increase in prepayments, deposits and other receivables of RMB69.3 million mainly attributable to increase in deposits for upcoming marketing events in the fourth quarter of 2022 as our Group typically records higher sales in the fourth quarter due to seasonality, and the increase in prepayments to professional parties in connection with the Listing; and (ii) decrease in bank borrowings of RMB26.6 million as a result of our repayment of short-term bank borrowings, and partially offset by (i) decrease in cash and cash equivalents of RMB49.9 million; and (ii) decrease in amounts due from related parties of RMB26.6 million due to our full settlement with Xiamen Many Idea.

### **Trade Receivables**

Our trade receivables primarily represent outstanding amount due from our customers for the services we provided in the ordinary course of business. We had trade receivables less provision for impairment loss recognised of RMB139.6 million, RMB156.1 million, RMB147.5 million and RMB206.9 million as at 31 December 2019, 2020 and 2021 and 30 April 2022, respectively.

## FINANCIAL INFORMATION

Our trading term with our customers are mainly on credit and the credit terms are generally 180 days. We endeavoured to maintain strict control over our outstanding receivables to help monitor our credit risk. We have in place a number of credit control measures, including (i) maintain regular communications with our customers' relevant personnel; (ii) our finance department will monitor the collection of payments from customers and report the progress of the trade receivables on a regular basis to ensure payments from our customers without delay; (iii) check with our customers every week on the payment process and status; (iv) adopt progressive approach in demanding payments from customers; (v) negotiate with our customers in an amicable manner to accelerate payments or consider shortening their credit terms; and (vi) conduct review on the recoverable amount of each individual trade receivable balance at the end of each reporting period to ensure adequate provision of impairment losses for irrevocable amounts. The following table sets forth the ageing analysis of our trade receivables, based on the date of rendering services, as at the dates indicated:

	As at 31 December			As at 30 April
	2019	2020	2021	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
One month to six months	124,078	115,074	109,019	160,606
More than six months but less than 12 months	16,750	37,592	38,991	49,491
More than one year but less than two years	4,671	16,990	15,582	21,716
More than two years	2,604	6,472	5,265	5,265
<b>Total</b>	<b><u>148,103</u></b>	<b><u>176,128</u></b>	<b><u>168,857</u></b>	<b><u>237,078</u></b>

The following table sets forth our trade receivables average turnover days for the periods indicated:

	For the year ended 31 December			For the four months ended 30 April
	2019	2020	2021	2022
Average trade receivables turnover days <sup>(1)</sup>	123.7	191.9	178.2	169.4

*Note:*

- (1) We calculate the trade receivables turnover days using the average of opening and ending balance of trade receivables for the year/period, divided by revenue for the relevant year/period, multiplied by 365 days for 2019, 2020 and 2021 and 120 days for 4M2022.

For 2019, 2021 and 4M2022, the average turnover days of our trade receivables were within the general credit period granted to our customers. For 2020, we recorded longer average turnover days of our trade receivables than our general credit period granted to our customers primarily due to delay in payment by our customers as a result of the impact of COVID-19 on their business operations.

## FINANCIAL INFORMATION

As at the Latest Practicable Date, RMB156.1 million or approximately 65.8% of our trade receivables as at 30 April 2022 had been subsequently settled. We do not believe there is any recoverability issue for our trade receivables having considered (i) we cautiously assess the recoverability of our trade receivables and make provision for impairment losses on a project-by-project basis, taking into consideration various factors, including but not limited to (a) credibility and payment record of our customers, and (b) the ageing analysis of trade receivables during the Track Record Period taking into account our credit terms with customers are generally 180 days; (ii) we had not received any indication from our customers that they do not intend to settle our trade receivables as at the Latest Practicable Date; and (iii) we have made full provisions for trade receivables which are over 12 months past due and with reference to a valuation report in respect of the assessment of expected credit losses on our account receivables which takes into account various factors including loss rate, exposure at default and forward-looking adjustments.

### Prepayments, Deposits and Other Receivables

Our prepayments, deposits and other receivables primarily consist of (i) prepayments, (ii) deposits, (iii) value added tax recoverable, (iv) interest receivables, (v) other receivables and (vi) deferred listing expenses. Our prepayments, deposits and other receivables balances as at 31 December 2019, 2020 and 2021 and 30 April 2022 were RMB9.3 million, RMB21.1 million, RMB50.3 million and RMB39.7 million, respectively. As at the Latest Practicable Date, RMB30.2 million or approximately 76.0% of our prepayments, deposits and other receivables as at 30 April 2022 had been subsequently settled. The following table sets forth our prepayments, deposits and other receivables based as at the dates indicated:

	As at 31 December			As at 30 April
	2019	2020	2021	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Current</b>				
Prepayments	6,885	15,261	43,969	32,917
Deposits	789	766	486	488
Value added tax recoverable	539	2,943	3,012	1,738
Interest receivables	267	1,762	533	1,094
Other receivables	103	90	174	201
Deferred listing expenses	–	–	1,847	3,021
	8,583	20,822	50,021	39,459
<b>Non-current</b>				
Deposits	699	265	250	250
	699	265	250	250
<b>Total</b>	9,282	21,087	50,271	39,709

## FINANCIAL INFORMATION

### *Prepayments*

As at 31 December 2019, 2020 and 2021 and 30 April 2022, our prepayments were RMB6.9 million, RMB15.3 million, RMB44.0 million and RMB32.9 million, respectively. Our prepayments primarily represent our prepayments made to our suppliers for our marketing projects and for our SaaS interactive marketing services platform. Our prepayment increased from RMB6.9 million as at 31 December 2019 to RMB15.3 million as at 31 December 2020 primarily due to prepayments to suppliers in acquiring media advertising resources or procuring production materials for two content marketing projects which were delayed by end of 2020 due to the impact of COVID-19 and were subsequently completed in the first half of 2021. Our increase in prepayments further increased to RMB44.0 million as at 31 December 2021 primarily due to (i) increase in prepayments in relation to the acquisition of media advertising resources associated with the growth of our media advertising segment across the period; and (ii) prepayments made in relation to acquisition of marketing rights from IP contents providers and related media advertising resources, procurement of production materials, venue rental and set ups for five delayed projects. In particular, four projects were postponed by end of 2021 due to COVID-19 restrictions and one project was delayed due to flood in the relevant area which led to delay in recognition of expenses to suppliers. Of the five delayed projects, four of them were completed in January 2022 and the remaining one is expected to be completed in the second half of 2022. Our prepayment decreased from RMB44.0 million as at 31 December 2021 to RMB32.9 million as at 30 April 2022 mainly due to completion of a number of our projects during 4M2022 which were carried over from 2021. As at the Latest Practicable Date, RMB28.5 million or approximately 86.4% of our prepayment as at 30 April 2022 had been subsequently utilised. Majority of our remaining prepayments as at 30 April 2022 which had not been subsequently utilised as at the Latest Practicable Date primarily relates to our prepayments to our suppliers for one of our content marketing projects which started in May 2022 and had not been completed as at the Latest Practicable Date as there are multiple events to each project.

Generally, where a project is cancelled the prepayments we made to suppliers will be either refunded by the suppliers, or will be utilised for other projects where the same suppliers have been engaged. We performed credibility check on each existing and potential suppliers whom we made prepayments to, and there is no historical default of refund of prepayments nor failure of providing the agreed services to us after prepayments were made. We therefore consider the credit risk for impairment losses on prepayments were minimal.

### *Deposits*

As at 31 December 2019, 2020 and 2021 and 30 April 2022, our total deposits (including current and non-current deposits) were RMB1.5 million, RMB1.0 million, RMB736,000 and RMB738,000, respectively. Our total deposits primarily represent deposits paid to NetEase (網易) and deposits for our leases.

## FINANCIAL INFORMATION

### *Value Added Tax Recoverable*

As at 31 December 2019, 2020 and 2021 and 30 April 2022, our value added tax recoverable was RMB539,000, RMB2.9 million, RMB3.0 million and RMB1.7 million, respectively. Our value added tax recoverable primarily represents the value added input tax in excess of the value added output tax which can be used to offset the value added input tax in the future.

### *Interest Receivables*

As at 31 December 2019, 2020 and 2021 and 30 April 2022, our interest receivables were RMB267,000, RMB1.8 million, RMB533,000 and RMB1.1 million, respectively. Our interest receivables represent our accrued interest income from our bank deposits.

### *Other Receivables*

As at 31 December 2019, 2020 and 2021 and 30 April 2022, our other receivables were RMB103,000, RMB90,000, RMB174,000 and RMB201,000, respectively. Our other receivables primarily represent petty cash that we provided to our employees for their daily work related expenses.

### *Deferred Listing Expenses*

We had nil, nil, RMB1.8 million and RMB3.0 million of deferred listing expenses as at 31 December 2019, 2020 and 2021 and 30 April 2022, respectively. Our deferred listing expenses refer to expenses in relation to the Listing.

### **Amount due from Related Parties**

Our amount due from related parties as at 31 December 2019, 2020 and 2021 and 30 April 2022 were nil, nil, nil and RMB26.6 million, respectively. Our amount due from related parties as at 30 April 2022 represented the amount due from Xiamen Many Idea as a result of continued payments made by a number of our customers to Xiamen Many Idea for the integrated marketing solutions services we provided to them despite the Business Transfer having been completed on 1 December 2021. We further reminded those customers that future payments shall be made to us instead of Xiamen Many Idea. Our amount due from related parties were non-trade in nature. As at the Latest Practicable Date, such amount due from Xiamen Many Idea had been fully settled and no additional payments relating to our provision of integrated marketing solutions services before the completion of Business Transfer were effected to Xiamen Many Idea.

### **Short-term Bank Deposits**

The balance of our short-term bank deposits was RMB25.0 million, RMB130.0 million, nil and nil as at 31 December 2019, 2020 and 2021 and 30 April 2022. The effective interest rates of short term bank deposits is 2.25%, ranged from 1.75% to 2.33%, nil and nil per annum respectively as at 31 December 2019, 2020 and 2021 and 30 April 2022. These deposits have maturity period of the range from three months to one year.

## FINANCIAL INFORMATION

### Cash or Cash Equivalents

Our cash and cash equivalents as at 31 December 2019, 2020 and 2021 and 30 April 2022 were RMB116.9 million, RMB45.2 million, RMB50.2 million and RMB86.6 million, respectively. Our cash and cash equivalents comprise of cash on hand and bank deposits.

### Trade Payables

Our trade payables as at 31 December 2019, 2020 and 2021 and 30 April 2022 were RMB22.3 million, RMB19.0 million, RMB20.5 million and RMB60.1 million, respectively. Our trade payables are primarily service fees payable to our suppliers and contractors.

Our payment term with our suppliers are generally 30 to 90 days. The following table sets forth the total amounts and ageing analysis of our trade payables as at the dates indicated, based on the invoice dates:

	As at 31 December			As at 30 April
	2019	2020	2021	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within six months	20,811	15,209	19,582	46,438
More than six months but less than 12 months	765	143	14	12,833
More than one year but less than two years	4	2,930	198	198
More than two years	706	733	676	676
<b>Total</b>	<b><u>22,286</u></b>	<b><u>19,015</u></b>	<b><u>20,470</u></b>	<b><u>60,145</u></b>

Based on invoice date as at 31 December 2019, 2020 and 2021 and 30 April 2022, most of our trade payables aged within six months. As at the Latest Practicable Date, approximately RMB46.6 million or approximately 77.4% of our trade payables as at 30 April 2022 had been fully settled.

The following table sets forth the number of turnover days for our trade payables for the periods indicated:

	For the year ended 31 December			For the four months ended
	2019	2020	2021	30 April 2022
Trade payables turnover days <sup>(1)</sup>	34.3	33.1	30.8	50.8

*Note:*

- (1) We calculate the average trade payables turnover days using the average of opening and ending balance of trade payables for the year/period, divided by purchase cost for the relevant year/period, multiplied by 365 days for 2019, 2020 and 2021 and by 120 days for 4M2022.

## FINANCIAL INFORMATION

For each year/period during the Track Record Period, our average trade payables turnover days were approximately 34.3 days, 33.1 days, 30.8 days and 50.8 days, respectively. Our average trade payables turnover days increased from approximately 30.8 days for 2021 to 50.8 days for 4M2022 primarily due to our increase in revenue. Our average trade payables turnover days during the Track Record Period were all within the credit period generally granted to us.

### Other Payables and Accruals

The following table sets forth a breakdown of our other payables and accruals as at the date indicated:

	As at 31 December		As at 30 April	
	2019	2020	2021	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Accrued salaries	3,025	3,401	2,957	2,139
Accrued expenses	790	1,012	145	21
Accrued listing expenses	–	–	5,612	3,181
Other tax payables	4,974	1,210	2,443	2,367
	<u>8,789</u>	<u>5,623</u>	<u>11,157</u>	<u>7,708</u>
<b>Total</b>	<b><u>8,789</u></b>	<b><u>5,623</u></b>	<b><u>11,157</u></b>	<b><u>7,708</u></b>

Our other payables and accruals as at 31 December 2019, 2020 and 2021 and 30 April 2022 were RMB8.8 million, RMB5.6 million, RMB11.2 million and RMB7.7 million, respectively. Accrued salaries mainly represents the last month salary of each preceding year/period and/or the bonuses of our employees for the preceding year/period. Accrued expenses mainly include renovation fees for our leased properties and computer software purchase costs. Accrued listing expenses represents expenses payable to professional parties in relation to the Listing. Majority of other tax payables consist of VAT payables. Our other tax payable as at 31 December 2020 was relatively low primarily due to the decline in net profit in 2020 as compared to that in 2019 and 2021.



## FINANCIAL INFORMATION

### Contract Liabilities

We had contract liabilities of RMB1.2 million, RMB3.3 million, RMB15.5 million and RMB9.6 million as at 31 December 2019, 2020 and 2021 and 30 April 2022, respectively. Our contract liabilities primarily represent advance payments we received for our customers. The table below sets forth the movement of our contract liabilities as at the dates indicated:

	As at 31 December			As at 30 April
	2019	2020	2021	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the year/period	1,901	1,163	3,276	15,493
Revenue recognised that was included in contract liabilities at the beginning of each of the year/period	(1,901)	(1,163)	(3,276)	(15,410)
Increase due to cash received, including amounts recognised as revenue during the year/period	42,351	33,075	42,815	10,239
Revenue recognised that was not included in contract liabilities at the beginning of the year/period	<u>(41,188)</u>	<u>(29,799)</u>	<u>(27,322)</u>	<u>(677)</u>
<b>At the end of the year/period</b>	<b><u>1,163</u></b>	<b><u>3,276</u></b>	<b><u>15,493</u></b>	<b><u>9,645</u></b>

Our contract liabilities increased from RMB1.2 million as at 31 December 2019 to RMB3.3 million as at 31 December 2020 primarily due to deposits received from a customer in relation to a project of which agreement was entered into during 2020 and the project was subsequently executed and completed during 2021.

Our contract liabilities increased from RMB3.3 million as at 31 December 2020 to RMB15.5 million as at 31 December 2021 primarily due to (i) the deposits received from our customers in relation to one digital marketing project and two media advertising projects, which were subsequently executed during 4M2022; (ii) the deposits received from our customers in relation to our content marketing services as a result of temporary delay of certain our event content marketing projects which were originally scheduled to be executed by the end of 2021; and (iii) deposits received from customers in connection with the newly launched SaaS interactive marketing services as the customers are required to pay subscription fee on an annual basis.

Our contract liabilities decreased from RMB15.5 million as at 31 December 2021 to RMB9.6 million as at 30 April 2022 primarily due to the recognition of revenue upon completion of the projects during the period, offset by deposits received from our customers, of which (i) the deposit received in connection with one digital marketing project which was subsequently completed in May 2022; and (ii) the deposits received from two customers in relation to media advertising services. As at the Latest Practicable Date, RMB7.9 million or approximately 82.0% of our contract liabilities as at 30 April 2022 had been subsequently recognised as revenue.

## FINANCIAL INFORMATION

### Amounts Due to Related Parties

Our amounts due to related parties were nil, nil, RMB130.3 million and nil as at 31 December 2019, 2020 and 2021 and 30 April 2022, respectively. Amounts due to related parties mainly represent the payment due to Xiamen Many Idea and Beijing Many Idea as a result of the Business Transfer. Our amounts due to related parties were non-trade in nature. Such payment in relation to the Business Transfer was fully settled as at 31 January 2022.

### Amounts Due to Investees

Our amounts due to investees (including current and non-current portion) were RMB5.3 million, RMB5.0 million, nil and nil as at 31 December 2019, 2020 and 2021 and 30 April 2022, respectively. Amounts due to investees represent the total subscription amounts for equity investments in Xiamen Vision and in Xiamen Advertising committed by Xiamen Many Idea which were not yet settled as at respective dates. We had no amount due to investee as at 31 December 2021 and 30 April 2022 as Xiamen Many Idea was no longer part of our Group subsequent to the Business Transfer.

### Convertible Bonds

The convertible bonds represent the liability portion and conversion option derivative of the issuance of Pre-HKIPO Loans in January 2022 which amounted to RMB47.2 million as at 30 April 2022.

In January 2022, our Company as borrower entered into a convertible loan agreement (together, the “**Loan Agreements**”) with each of (i) ZGC; (ii) Many Idea Xue Jun; (iii) Huirong; and (iv) GEI (the Pre-HKIPO Loan Lenders), respectively, pursuant to which each of the Pre-HKIPO Loan Lenders agreed to grant a loan to our Company in the principal amount of (i) US\$5 million (in respect of ZGC); (ii) US\$1 million (in respect of Many Idea Xue Jun); (iii) US\$600,000 (in respect of Huirong) and (iv) HK\$3 million (in respect of GEI), respectively. The Pre-HKIPO Loans were drawn down in January 2022. Please refer to the section headed “History — Pre-IPO Investment by way of Pre-HKIPO Loans” and Note 35 to the Accountants’ Report in Appendix I to this prospectus for further information.

In the event that the Pre-HKIPO Loans are converted into Shares on the Listing Date pursuant to the terms of the Loan Agreements, each of ZGC, Many Idea Xue Jun, Huirong and GEI will become interested in 1.9507%, 0.3901%, 2.2191% (including Shares held by Huirong as at the Latest Practicable Date) and 0.1493% of the total issued Share capital of our Company immediately after the Global Offering (without taking into account Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Options and the options which may be granted under the Share Option Schemes). Please refer to the section headed “Risk Factors — Risks Relating to the Global Offering and our Shares — The shareholding percentages of the existing Shareholders will be diluted following the conversion of convertible loan into our Shares” in this prospectus for details.

## FINANCIAL INFORMATION

### Income Tax Payable

Our income tax payable mainly represents enterprise income tax and amounted to RMB20.5 million, RMB11.9 million, RMB11.9 million and RMB17.9 million as at 31 December 2019, 2020 and 2021 and 30 April 2022, respectively, which is generally in line with our profit before income tax expense during the Track Record Period. Our income tax payable remained stable as at 31 December 2020 and 2021. We had a higher income tax payable as at 30 April 2022 compared to 31 December 2021 despite we had a lower profit before income tax expense for 4M2022 compared to 2021 primarily due to the fact that some of our income tax payable for 2021 were carried over and not yet paid as at 30 April 2022, as they were not yet due as at 30 April 2022.

### WORKING CAPITAL SUFFICIENCY

Taking into account cash from operating activities, cash available to our Group and the net proceeds from the Global Offering (after a possible Downward Offer Price Adjustment setting the final Offer Price up to 10% below the low-end of the indicative Offer Price range), our Directors are of the opinion that we will have sufficient funds to meet our working capital requirements and financial requirements for capital expenditure and future cash requirements for at least the next 12 months from the date of this prospectus.

### INDEBTEDNESS AND CONTINGENT LIABILITIES

Please see the table below for details of the nature of our indebtedness and contingent liabilities which includes (i) borrowings; and (ii) lease liabilities.

	As at 31 December			As at 30 April 2022	As at 31 August 2022
	2019	2020	2021	RMB'000	RMB'000
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
					<i>(unaudited)</i>
Borrowings					
• Convertible bonds (liability component) in relation to the Pre-HKIPO Loans	-	-	-	44,116	48,591
• Other borrowings	-	44,841	-	78,499	51,919
Lease liabilities	9,773	6,018	6,925	6,679	4,371
<b>Total</b>	<b>9,773</b>	<b>50,859</b>	<b>6,925</b>	<b>129,294</b>	<b>104,881</b>

## FINANCIAL INFORMATION

### **Borrowings**

As at 31 December 2019, 2020 and 2021 and 30 April 2022, we had total outstanding borrowings (excluding convertible bonds (liability component) in relation to the Pre-HKIPO Loans) of nil, RMB44.8 million, nil and RMB78.5 million, respectively. Our loans interest rate ranged from 4.68% to 5.22% per annum, 3.85% to 6.05% per annum, nil and 4.50% to 17.06% per annum respectively in 2019, 2020, 2021 and 4M2022. As at 31 December 2019, 2020 and 2021 and 30 April 2022, the convertible bonds (liability component) of the Pre-HKIPO Loans was nil, nil, nil and RMB44.1 million, respectively. For details of the Pre-HKIPO Loans, please refer to the paragraph headed “— Key Components of Our Consolidated Statements or Profit or Loss — Finance Costs” in this section of this prospectus.

As at 31 August 2022, our borrowings comprised of (i) the loan from Asia One, our Shareholder, with an outstanding amount of USD3.0 million; (ii) the Pre-HKIPO Loans with an outstanding amount of USD6.6 million and HKD3.0 million; and (iii) bank borrowings. For details of the loans in relation to the loan from Asia One and the Pre-HKIPO Loans, please refer to the paragraph headed “— Key Components of Our Consolidated Statements or Profit or Loss — Finance Costs” in this section of this prospectus. We had an aggregate committed banking facilities of RMB37.0 million, of which RMB32.0 million was utilised and the remaining RMB5.0 million was unutilised as at 31 August 2022. Such bank borrowings comprised of four bank facilities from three PRC commercial banks in the principal amount of RMB10.0 million, RMB10.0 million, RMB10.0 million and RMB7.0 million, respectively.

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we had not breached any financial covenant or defaulted in repayment of trade and other payables and bank borrowings or other loan facilities that were due and repayable. Except for the loans and bank borrowings under the banking facilities discussed above, we currently do not have any plans for other material external debt financing.

Our borrowings amount fluctuated during the Track Record Period in accordance with our internal financial resources and the financing needs in that year/period.

### **Lease Liabilities**

Our lease liabilities primarily represent the amount payable under the leases in relation to the leasing of offices for our business operations. We had lease liabilities (including current and non-current lease liabilities) amounted to RMB9.8 million, RMB6.0 million, RMB6.9 million, RMB6.7 million and RMB4.4 million as at 31 December 2019, 2020 and 2021, 30 April 2022 and 31 August 2022. Our leases of properties generally have leased terms between three to eight years. The decline in lease liabilities as at 31 December 2020 as compared to that as at 31 December 2019 was primarily due to the expiry of a lease agreement.

## FINANCIAL INFORMATION

The following table sets forth a breakdown of our lease liabilities by current and non-current portions as at the dates indicated:

	As at 31 December			As at	As at
	2019	2020	2021	30 April	31 August
	RMB'000	RMB'000	RMB'000	2022	2022
Current	3,755	2,553	2,907	2,990	3,097
Non-current	6,018	3,465	4,018	3,689	1,274
<b>Lease liabilities</b>	<b>9,773</b>	<b>6,018</b>	<b>6,925</b>	<b>6,679</b>	<b>4,371</b>

The following table sets forth the effective interest rate of the lease liabilities for the period indicated:

	For the year ended 31 December			For the	For the
	2019	2020	2021	four months	eight
	%	%	%	ended	months
Effective interest rate	4.92–5.36	4.92–5.36	4.92–5.36	30 April	31 August
				2022	2022
				%	%

### Contingent Liabilities and Guarantees

As at 31 August 2022, we did not have any unrecorded significant contingent liabilities, guarantees or any litigation against us.

Save as those disclosed above in the paragraph headed “— Indebtedness and Contingent Liabilities” in this section of this prospectus, as at 31 August 2022, we did not have any outstanding mortgage, charges, debentures or other loan capital (issued or agreed to issue), bank overdrafts, loans, liabilities under acceptance or acceptance credits, or other similar indebtedness and hire purchase commitment.

### OFF-BALANCE SHEET ARRANGEMENTS

As at the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

## FINANCIAL INFORMATION

### CAPITAL EXPENDITURES AND COMMITMENTS

Our capital expenditures during the Track Record Period primarily consisted of (i) property, plant and equipment, which primarily consisted of computer equipment, office equipment and leasehold improvement in relation to renovation expenses for our properties; (ii) right-of-use assets, which primarily consisted of the our property leases; and (iii) intangible assets, which primarily consisted of, among others, copyright licences of IPs and acquisition of software for our SaaS interactive marketing business.

The following table sets forth our capital expenditures for the periods indicated:

	For the year ended 31 December			For the four months ended
	2019	2020	2021	30 April 2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Property, plant and equipment	77	77	311	74
Right-of-use assets	1,572	-	571	13
Intangible assets	-	32	93,783	8,491
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total capital expenditure</b>	<b>1,649</b>	<b>109</b>	<b>94,665</b>	<b>8,578</b>
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

### RELATED PARTY DISCLOSURES

During the Track Record Period, we had bank borrowings secured by personal guarantee of our Directors, Mr. Liu and Ms. Qu. As at the Latest Practicable Date, there were no such guarantees provided by Mr. Liu and Ms. Qu in favour of our Group. We had no transactions with related parties during the Track Record Period. Please refer to Notes 33 and 41 to the Accountants' Report in Appendix I to this prospectus for additional information.

## FINANCIAL INFORMATION

### KEY FINANCIAL RATIOS

The following table sets forth certain key financial ratios as at the dates or for the periods indicated:

	As at or for the year ended			As at or for
	31 December			the four
	2019	2020	2021	months ended
				30 April
				2022
Return on equity <sup>(1)</sup>	32.9%	11.5%	36.9%	N/A
Return on total assets <sup>(2)</sup>	21.4%	7.1%	16.1%	N/A
Current ratio(times) <sup>(3)</sup>	5.1	3.9	1.3	1.6
Gearing ratio <sup>(4)</sup>	6.9%	19.6%	47.5%	35.7%
Interest coverage ratio (times) <sup>(5)</sup>	174.6	34.9	22.0	5.5
Gross profit margin <sup>(6)</sup>	33.1%	24.2%	32.4%	32.1%
Net profit margin <sup>(7)</sup>	20.5%	10.3%	18.3%	10.6%

*Notes:*

- (1) For 2019, 2020 and 2021, return on equity ratio is calculated by dividing profit for the year attributable to the owners of our Company by total equity attributable to the owners of our Company as at each relevant year end and multiplying 100%. Return on equity ratio for the four months ended 30 April 2022 is not meaningful as it is not comparable to the annual figures.
- (2) For 2019, 2020 and 2021, return on total assets ratio is calculated by dividing profit for the year attributable to the owners of our Company by total assets as at each relevant year end and multiplying 100%. Return on total assets ratio for the four months ended 30 April 2022 is not meaningful as it is not comparable to the annual figures.
- (3) Current ratio is total current assets divided by total current liabilities as at each relevant year/period end.
- (4) Gearing ratio is total debt divided by total capital plus total debt. Total debt is calculated as borrowings, lease liabilities, amounts due to related parties and amounts due to investees. Capital includes equity attributable to owners of our Company.
- (5) Interest coverage ratio is profit before finance costs and income tax expenses for the year/period divided by finance costs for the year/period.
- (6) Gross profit for the year/period divided by revenue for the year/period and multiplied by 100%.
- (7) Profit for the year/period divided by revenue for the year/period and multiplied by 100%.



## FINANCIAL INFORMATION

### Return on Equity

Our return on equity decreased from 32.9% in 2019 to 11.5% in 2020 primarily due to our profit for the year decreased which was mainly attributable to temporary postponement or cancellation of some of our content marketing projects, while our total equity increased as a result of increase in short-term bank deposits and trade receivables. Our return on equity increased from 11.5% in 2020 to 36.9% in 2021 primarily due to (i) increase in our profit for the year which is generally in line with our increase in revenue and (ii) increase in amounts due to related parties which represents the payment due to Xiamen Many Idea and Beijing Many Idea in connection with the Business Transfer, and in turn lowered the equity balance as at 31 December 2021.

### Return on Total Assets

Our return on total assets decreased from 21.4% in 2019 to 7.1% in 2020, mainly due to our profit for the year decreased while our total assets increased. Our return on total assets increased from 7.1% in 2020 to 16.1% in 2021, mainly due to increase in our profit for the year which is generally in line with our increase in revenue.

### Current Ratio

As at 31 December 2019, 2020 and 2021 and 30 April 2022, our current ratio was 5.1, 3.9, 1.3 and 1.6, respectively. Please refer to the paragraph headed “— Selected Balance Sheet Items — Net Current Assets” in this section of this prospectus for further details of changes in our current assets and current liabilities over the Track Record Period.

### Gearing Ratio

Our gearing ratio increased from 6.9% as at 31 December 2019 to 19.6% as at 31 December 2020, mainly due to increase in bank borrowings in 2020. Our gearing ratio increased to 47.5% as at 31 December 2021 mainly due to the increase in amounts due to Xiamen Many Idea and Beijing Many Idea in relation to the Business Transfer. Our gearing ratio decreased from 47.5% as at 31 December 2021 to 35.7% as at 30 April 2022 mainly due to (i) the pre-IPO investment from Asia One in its subscription of our Shares; and (ii) increase in our retained earnings as at 30 April 2022.

### Interest Coverage Ratio

Our interest coverage ratio decreased from 174.6 times in 2019 to 34.9 times in 2020 primarily due to increase in finance cost due to increase in bank borrowings. Our interest coverage ratio decreased from 34.9 times in 2020 to 22.0 times in 2021 primarily due to increase in new bank borrowings in the second half of 2020 resulting in the lower interest expenses recorded in 2020 as compared to in 2021, and was partially offset by the increase in profit before finance costs and income tax expense which was generally in line with our increase in revenue in 2021. Our interest coverage ratio increased from 5.0 times for 4M2021 to 5.5 times for 4M2022 mainly due to increase in profit before finance costs and income tax expense which was generally in line with our increase in revenue for 4M2022.

## FINANCIAL INFORMATION

### Gross Profit Margin

Our gross profit margin decreased from 33.1% in 2019 to 24.2% in 2020 and increased to 32.4% in 2021. Our gross profit margin increased from 28.8% for 4M2021 to 32.1% for 4M2022. Please refer to the paragraph headed “— Review of Historical Results of Operations” in this section of this prospectus for detailed analysis of our gross profit margin.

### Net Profit Margin

Our net profit margin decreased from 20.5% in 2019 to 10.3% in 2020 primarily due to (i) a decrease in gross profit and gross profit margin as a result of the lower gross profit margin for our content marketing services and digital marketing services; and (ii) an increase in provision for impairment loss on trade receivables as a result of the impact of COVID-19 on our customers’ business and operations which prolonged the time for their payments to us; and was partially offset by a decrease in income tax expense. Our net profit margin increased from 10.3% in 2020 to 18.3% in 2021 primarily attributable to the increase in overall gross profit margin in all business segments as a result of gradual recovery in spending by our customers in marketing and promotion of their brands and products, and was partially offset by listing expense of approximately RMB8.7 million which represents the legal and professional fee in connection with the Listing. Our net profit margin increased from 6.8% for 4M2021 to 10.6% for 4M2022 primarily attributable to (i) substantial increase in revenue from content marketing which had a higher gross profit margin than our average gross profit margin; (ii) the launch of the SaaS interactive marketing services in June 2021 which had a relatively high gross profit margin; (iii) increase in gross profit margin from digital marketing as a result of our cessation of cooperation arrangement with NetEase (網易) in Shangrao city which was less profitable than our cooperation arrangement with NetEase (網易) in Xiamen city and Zhangzhou city; and (iv) increase in gross profit margin from public relations event planning as we were engaged in five projects in which we were mainly responsible for design, planning and preparation of promotional materials without the need to incur high production and material costs, and was partially offset by Listing expenses of approximately RMB5.4 million which represents the legal and professional fee in connection with the Listing.

### QUALITATIVE AND QUANTITATIVE DISCLOSURE OF MARKET RISKS

We are exposed to various types of financial and market risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk. Our Directors review and agree on financial management policies and practices for managing each of these risks.

#### Credit Risk

Our credit risk is primarily attributable to trade receivables. Our exposure to credit risk arising from deposits with banks is limited because the counterparties are reputable banks and financial institutions with high credit rating, for which we consider to have low risk.

## FINANCIAL INFORMATION

For trade receivables, we consider our credit risk to be low as our customers are mainly reputable corporations. To manage our credit risk, we perform ongoing credit evaluation on the financial condition of our debtors and monitor the ageing of the receivable balances. Follow up action is taken in case of overdue balances. Our management reviews the recoverable amount of the receivables on an individual basis and a collective basis at each report date to ensure that adequate impairment losses are made for irrecoverable amounts. Our credit policies have been followed during the Track Record Period and we consider such to be effective in limiting our exposure to credit risk to a desirable level.

We have recognised expected credit losses on trade receivables during the Track Record Period. The provision for impairment on trade receivables as at 31 December 2019, 2020 and 2021 and 30 April 2022 were RMB8.6 million, RMB20.0 million, RMB21.4 million and RMB30.2 million, respectively.

Please refer to Notes 22 and 42 to the Accountants' Report in Appendix I to this prospectus for additional information, including certain quantitative disclosure of our credit risk.

### **Liquidity Risk**

Our policy is to regularly monitor our liquidity requirements and our compliance with lending covenants in order to maintain sufficient reserves of cash and adequate committed lines of funding from major banks to meet our liquidity requirements in the short and long term. We have followed our liquidity policies during the Track Record Period and we consider such policies to have been effective in managing liquidity risk.

Please refer to Note 42 to the Accountants' Report in Appendix I to this prospectus for additional information, including certain quantitative disclosure of our liquidity risk.

### **Interest Rate Risk**

Floating interest rate instruments will result in our Group facing the risk of changes in market interest rate, and fixed interest rate instruments will result in our Group fair value interest rate risk. Our fair value interest rate risk arises primarily from borrowings and the Pre-HKIPO Loans. Borrowings and the Pre-HKIPO Loans at fixed rates expose our Group to fair value interest rate risk. We had no cash flow interest rate risk as there are no borrowings which bear floating interest rates. Other than cash at bank, we do not have significant interest-bearing assets. Our Directors consider that any change in the interest rate promulgated by banks from time to time is not expected to have significant impact to our Group. Please refer to Note 42 to the Accountants' Report in Appendix I to this prospectus for additional information.

## FINANCIAL INFORMATION

### Foreign Currency Risk

We are exposed to foreign currency risk arising from various currency exposures, primarily with respect to the United States dollars and Hong Kong dollars as we have bank balances denominated in HKD and Pre-HKIPO Loans denominated in USD. We have not entered into any derivative instruments to hedge our foreign exchange exposures. Please refer to Note 42 to the Accountants' Report in Appendix I to this prospectus for additional information.

### UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

Please refer to the section headed "Appendix II — Unaudited Pro Forma Financial Information" in this prospectus for details.

### DIVIDENDS AND DIVIDEND POLICY

No dividend has been declared or paid by our Company since its incorporation and we do not have dividend policy.

Any amount of dividends we pay will be at the discretion of our Directors and will depend on our future operations and earnings, our development pipeline, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors consider relevant. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the relevant laws. Please refer to Summary of the Constitution of our Company and Cayman Companies Act set out in Appendix III to this prospectus. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution.

As we are a holding company incorporated under the laws of the Cayman Islands, our ability to declare and pay dividends will depend on the amount of dividends received from our subsidiaries, if any, particularly those in the PRC. PRC laws require that dividends be paid only out of the net profit calculated according to PRC accounting principles, which differ in many aspects from generally accepted accounting principles in other jurisdictions, including HKFRSs. PRC laws also require foreign-invested enterprises, such as all of our subsidiaries in the PRC, to set aside at least 10% of their net profit as statutory reserves, and such statutory reserves are not available for distribution as cash dividends. Distributions from our subsidiaries may also be restricted if they incur debt or losses or in accordance with any restrictive covenants in bank credit facilities or other agreements that we or our subsidiaries may enter into in the future.

### DISTRIBUTABLE RESERVES

As at 30 April 2022, we had a distributable reserves of RMB238.0 million.

## FINANCIAL INFORMATION

### LISTING EXPENSES

Our listing expenses primarily consist of underwriting commissions and professional fees paid to the professional advisers for their services rendered in relation to the Listing and the Global Offering. The total estimated listing expenses (based on the midpoint of our indicative price range for the Global Offering and assuming that the Over-allotment Option is not exercised, including underwriting commissions and excluding any discretionary incentive fee which may be payable by us) in relation to the Global Offering are approximately RMB59.1 million, accounting for approximately 19.1% of the gross proceeds to be received from the Global Offering. The aforementioned estimated listing expenses of approximately RMB59.1 million include (i) underwriting related expenses of approximately RMB15.4 million; and (ii) non-underwriting related expenses of approximately RMB43.7 million, which consist of fees and expenses of legal advisers and Reporting Accountants of approximately RMB19.1 million and other fees and expenses of approximately RMB24.6 million, accounting for approximately 14.1% of the gross proceeds from the Global Offering.

During the Track Record Period, we incurred actual listing expenses of RMB17.1 million, of which (i) RMB8.7 million and RMB5.4 million was charged to our consolidated statements of profit or loss for 2021 and 4M2022, respectively and (ii) approximately RMB3.0 million will be deducted from equity upon Listing.

We expect to incur further listing expenses of approximately RMB42.0 million, of which RMB22.0 million will be charged to our consolidated statements of profit or loss upon successful Listing for the year ending 31 December 2022 and RMB20.0 million will be deducted from equity upon Listing.

### RECENT DEVELOPMENTS

Our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in the financial or trading position of our Group since 30 April 2022, being the end of the period reported in the Accountants' Report in Appendix I to this prospectus.

### DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors have confirmed that, as at the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

### NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, there has been no material adverse change in our financial, operational or trading positions or prospects since 30 April 2022, being the date of our consolidated financial statements as set forth in the Accountants' Report in Appendix I to this prospectus.

## **CORNERSTONE PLACING**

We have entered into a cornerstone investment agreement (the “**Cornerstone Investment Agreement**”) with the cornerstone investor set out below (the “**Cornerstone Investor**”) on 26 October 2022, pursuant to which the Cornerstone Investor has agreed to, subject to certain conditions, subscribe at the Offer Price for such number of the Offer Shares (rounded down to the nearest whole board lot of 2,000 Shares) that may be placed for an aggregate amount of HK\$10,000,000 (the “**Cornerstone Placing**”) (excluding brokerage, SFC transaction levy, Hong Kong Stock Exchange trading fee and AFRC transaction levy).

Assuming the Offer Price is set at HK\$1.88 per Share, being the low-end of the indicative Offer Price range set out in this prospectus, (i) the total number of Offer Shares to be allocated to the Cornerstone Investor will be 5,318,000 Offer Shares, representing approximately 3.32% of the Offer Shares and approximately 0.66% of our total issued share capital immediately upon completion of the Global Offering, assuming that the Pre-HKIPO Loans are not converted into Shares and the Over-allotment Option and the options which may be granted under the Share Option Scheme are not exercised at all; or (ii) representing approximately 2.89% of the Offer Shares and approximately 0.65% of our total issued share capital immediately upon completion of the Global Offering, assuming the Over-allotment Option is fully exercised but the Pre-HKIPO Loans were not converted into Shares and the options which may be granted under the Share Option Scheme are not exercised at all.

Assuming the Offer Price is set at HK\$2.13 per Share, being the mid-point of the indicative Offer Price range set out in this prospectus, (i) the total number of Offer Shares to be allocated to the Cornerstone Investor will be 4,694,000 Offer Shares, representing approximately 2.93% of the Offer Shares and approximately 0.59% of our total issued share capital immediately upon completion of the Global Offering, assuming that the Pre-HKIPO Loans are not converted into Shares and the Over-allotment Option and the options which may be granted under the Share Option Scheme are not exercised at all; or (ii) representing approximately 2.55% of the Offer Shares and approximately 0.57% of our total issued share capital immediately upon completion of the Global Offering, assuming the Over-allotment Option is fully exercised but the Pre-HKIPO Loans were not converted into Shares and the options which may be granted under the Share Option Scheme are not exercised at all.

Assuming the Offer Price is set at HK\$2.38 per Share, being the high-end of the indicative Offer Price range set out in this prospectus, (i) the total number of Offer Shares to be allocated to the Cornerstone Investor will be 4,200,000 Offer Shares, representing approximately 2.63% of the Offer Shares and approximately 0.53% of our total issued share capital immediately upon completion of the Global Offering, assuming that the Pre-HKIPO Loans are not converted into Shares and the Over-allotment Option and the options which may be granted under the Share Option Scheme are not exercised at all; or (ii) representing approximately 2.28% of the Offer Shares and approximately 0.51% of our total issued share capital immediately upon completion of the Global Offering, assuming the Over-allotment Option is fully exercised but the Pre-HKIPO Loans were not converted into Shares and the options which may be granted under the Share Option Scheme are not exercised at all.



## CORNERSTONE INVESTOR

Assuming the Offer Price is set at HK\$1.70 per Share, being the Offer Price after making a Downward Offer Price Adjustment of 10% below the low-end of the indicative Offer Price range, (i) the total number of Offer Shares to be allocated to the Cornerstone Investor will be 5,882,000 Offer Shares, representing approximately 3.68% of the Offer Shares and approximately 0.74% of our total issued share capital immediately upon completion of the Global Offering, assuming that the Pre-HKIPO Loans are not converted into Shares and the Over-allotment Option and the options which may be granted under the Share Option Scheme are not exercised at all; or (ii) representing approximately 3.20% of the Offer Shares and approximately 0.71% of our total issued share capital immediately upon completion of the Global Offering, assuming the Over-allotment Option is fully exercised but the Pre-HKIPO Loans were not converted into Shares and the options which may be granted under the Share Option Scheme are not exercised at all.

Our Company is of the view that the Cornerstone Placing provides an impression of commitment, confidence and interests of the Cornerstone Investor in the business and prospect of the Group and help to raise the profile of our Company.

The Cornerstone Placing will form part of the International Offering and the Cornerstone Investor will not subscribe for any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreement). The Offer Shares to be subscribed by the Cornerstone Investor will rank pari passu in all respects with the fully paid Shares in issue and will be counted towards the public float of our Company for the purposes of Rules 8.08 and 8.24 of the Listing Rules. Immediately following the completion of the Global Offering, the Cornerstone Investor will not become a substantial shareholder of our Company, and the Cornerstone Investor or his close associates will not, by virtue of his investment, have any Board representation in our Company. Other than a guaranteed allocation of relevant Offer Shares at the final Offer Price, the Cornerstone Investor does not have any preferential rights in the Cornerstone Investment Agreement compared with other public Shareholders.

To the best knowledge of our Company, (i) the Cornerstone Investor is an Independent Third Party; (ii) the Cornerstone Investor is not accustomed to take instructions from our Company, our Directors, our chief executive, our Controlling Shareholders, our substantial Shareholders or existing Shareholders or any of their subsidiaries or their close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares registered in his name or otherwise held by him; and (iii) the subscription of the relevant Offer Shares by the Cornerstone Investor is not financed by our Company, our Directors, our chief executive, our Controlling Shareholders, substantial Shareholders or existing Shareholders or any of his subsidiaries or his close associates. The Cornerstone Investor has confirmed that all necessary approvals (if any) have been obtained with respect to the Cornerstone Placing.

As confirmed by the Cornerstone Investor, his subscription under the Cornerstone Placing would be financed by his own internal resources. There are no side arrangements or agreements between our Company and the Cornerstone Investor or any benefit, direct or indirect, conferred on the Cornerstone Investor by virtue of or in relation to the Cornerstone Placing, other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price. There will not be deferred settlement in payment or deferred delivery of



## CORNERSTONE INVESTOR

the Offer Shares to be subscribed by the Cornerstone Investor, and he will pay in full for the relevant Offer Shares to be subscribed for (including brokerage, SFC transaction levy, Hong Kong Stock Exchange trading fee and AFRC transaction levy) on or before 8:00 a.m. at the Listing Date.

The Offer Shares to be subscribed by the Cornerstone Investor will not be affected by reallocation of the Offer Shares between the International Placing and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering as described in “Structure of the Global Offering — The Hong Kong Public Offering — Reallocation” in this prospectus. Details of the actual number of Offer Shares to be allocated to the Cornerstone Investor will also be disclosed in the allocation results announcement of our Company to be published on or around Tuesday, 8 November 2022.

### CORNERSTONE INVESTOR

The information about our Cornerstone Investor set forth below was provided by our Cornerstone Investor in connection with the Cornerstone Placing.

#### **Mr. Lai Shixian (賴世賢)**

Mr. Lai Shixian (賴世賢) has agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot) with an amount of HK\$10,000,000 at the Offer Price. Our Company became acquainted with Mr. Lai Shixian through Mr. Liu, who was Mr. Lai Shixian’s classmate in advanced study courses of Scientific Entrepreneur Program (科學企業家課程) in PBC School of Finance, Tsinghua University (清華大學五道口金融學院).

Mr. Lai Shixian is an executive director and chief financial officer of ANTA Sports Products Limited (“ANTA”, a company whose shares are listed on the Hong Kong Stock Exchange (stock code: 2020.hk)) and its subsidiary is also a customer of our Group during the Track Record Period. He has over 15 years of experience in administrative and financial management in ANTA Group. Mr. Lai Shixian was a member of the Quanzhou Municipal Committee of the Chinese People’s Political Consultative Conference. Mr. Lai Shixian is currently a standing committee member of Quanzhou Municipal Committee of the Chinese People’s Political Consultative Conference, the vice president of Fujian Federation of Industry and Commerce (General Chamber of Commerce) and the vice chairman of Quanzhou City of Industry and Commerce (General Chamber of Commerce). Mr. Lai Shixian is an independent non-executive director of China Lilang Limited (a company whose shares are listed on the Hong Kong Stock Exchange (stock code: 1234.hk)).

## CORNERSTONE INVESTOR

The table below sets forth details of the Cornerstone Placing:

### Cornerstone Investor

	Subscription amount	Number of Offer Shares	Assuming that the Pre-HKIPO Loans are not converted into Shares and the Over-allotment Option and the options which may be granted under the Share Option Scheme are not exercised at all	Approximate % of the issued share capital immediately following the completion of the Global Offering	Assuming the Over-allotment Option is fully exercised but the Pre-HKIPO Loans are not converted into Shares and the options which may be granted under the Share Option Scheme are not exercised at all	Approximate % of the issued share capital immediately following the completion of the Global Offering
	HK\$	<i>(rounded down to nearest whole board lot of 2,000 shares)</i>	Approximate % of the Offer Shares		Approximate % of the Offer Shares	
<b>Based on the Offer Price of HK\$1.88 (being the low-end of the indicative Offer Price range)</b>						
Mr. Lai Shixian	10,000,000	5,318,000	3.32%	0.66%	2.89%	0.65%
<b>Based on the Offer Price of HK\$2.13 (being the mid-point of the indicative Offer Price range)</b>						
Mr. Lai Shixian	10,000,000	4,694,000	2.93%	0.59%	2.55%	0.57%
<b>Based on the Offer Price of HK\$2.38 (being the high-end of the indicative Offer Price range)</b>						
Mr. Lai Shixian	10,000,000	4,200,000	2.63%	0.53%	2.28%	0.51%
<b>Based on the Offer Price of HK\$1.70 (being the Offer Price after a Downward Offer Price Adjustment of 10% below the low-end of the indicative Offer Price range)</b>						
Mr. Lai Shixian	10,000,000	5,882,000	3.68%	0.74%	3.20%	0.71%

## **Closing Conditions**

The obligation of the Cornerstone Investor to subscribe for the Offer Shares under the Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

- (a) the Hong Kong Underwriting Agreement and the International Underwriting Agreement being entered into and having become effective and unconditional by no later than the time and date as specified in the Underwriting Agreements (in accordance with their respective original terms, or as subsequently varied by agreement of the parties thereto or waived, to the extent it may be waived, by the relevant parties);
- (b) neither of the Underwriting Agreements having been terminated;
- (c) the Listing Committee having granted the approval for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus (including the Shares under the Cornerstone Placing) as well as other applicable waivers and approvals and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the Shares on the Hong Kong Stock Exchange;
- (d) the Offer Price having been agreed upon between our Company and the Sole Representative (for itself and on behalf of the Underwriters);
- (e) no laws shall have been enacted or promulgated which prohibit the consummation of the transactions contemplated in the Hong Kong Public Offering, the International Offering or the Cornerstone Investment Agreement, and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and
- (f) the representations, warranties, acknowledgements, undertakings, agreements, and confirmations of each of the Cornerstone Investor are and will be (as of the Listing Date) accurate and true in all respects and not misleading and that there being no breach of the Cornerstone Investment Agreement on the part of the Cornerstone Investor.

## **Restrictions on the Cornerstone Investor**

The Cornerstone Investor has agreed that he will not, whether directly or indirectly, at any time during the period of six months from the Listing Date (the “**Lock-up Period**”), dispose of any of the Offer Shares he has subscribed for pursuant to the Cornerstone Investment Agreement, unless he has obtained prior written consent from each of our Company, the Sole Sponsor and the Joint Global Coordinators, save for certain limited circumstances, such as transfers to any of his wholly-owned subsidiaries who will be bound by the same obligations of the Cornerstone Investor, including the Lock-up Period restriction.

## FUTURE PLANS AND USE OF PROCEEDS

### FUTURE PLANS

Please refer to the section headed “Business — Our Strategies” in this prospectus for a detailed discussion of our future plans.

### USE OF PROCEEDS

Assuming an Offer Price of HK\$2.13 per Offer Share (being the mid-point of the stated range of the Offer Price of between HK\$1.88 and HK\$2.38 per Offer Share), we estimate that we will receive net proceeds of approximately HK\$275.6 million from the Global Offering after deducting the underwriting commissions and other estimated expenses in connection with the Global Offering and assuming that the Over-allotment Option is not exercised. In line with our strategies, we intend to use our proceeds from the Global Offering for the purposes and in the amounts set forth below:

1. Approximately 14.7%, or HK\$40.4 million, for research and development and enhancing our SaaS interactive marketing platform, including:
  - i. approximately 9.3%, or HK\$25.7 million, for enhancing the contents of our marketing templates on our Content Engine platform and developing further functionalities of our Content Engine platform such as content module and open module. Content module will enhance the quality and selection of our marketing templates. Open module will allow design studios to share their marketing templates on our platform for use by our customers. Please refer to the section headed “Business — Our Strategies — Expand our SaaS interactive marketing business by enhancing the diversity and quality of our interactive creative management tools, investing in the data analytic abilities, and upgrading the platform with new functions” in this prospectus for further information. We also intend to recruit and build a staff team including, among others, project managers, product managers, user experience and user interface designers, platform development engineers, system architects, testing engineers and operation and maintenance engineers to assist with the upgrade of digital interactive marketing contents editor, screen interactive marketing contents editor and research and development of content module as those are core functions to our Content Engine. With respect to the research and development of open module, since such module is open to the public and third parties to use we intend to engage third party companies to provide such services;

## FUTURE PLANS AND USE OF PROCEEDS

Below sets out our implementation plan for enhancing the contents of marketing templates and developing new modules on our Content Engine:

Upgrading digital interactive marketing contents editor and screen interactive marketing contents editor

Our digital interactive marketing contents editor enables our customers to design their own bespoke mini-games using online editing tools on the Content Engine to promote their marketing contents to their end-customers in a convenient and interactive way. Similarly, our screen interactive marketing contents editor helps our customers design their own mini-games to be played on screens in offline stores or events to attract end-customers, build up brand names and improve shopping experience of end-customers.

We will upgrade the technologies and interface of our digital interactive marketing contents editor and screen interactive marketing contents editor to provide more user-friendly and easier operating experience for our customers such that even customers who do not possess professional programming capabilities or high computer literacy can still create their own marketing templates using our editors with ease. For example, through subscription on our Content Engine, an interactive marketing template (e.g., mini-game) tailored to the needs of our customers can be generated with only several clicks and drags.

Research and development of content module, including, among others, the creativity and monitoring capabilities of the content (i.e., marketing templates), and enhancement of graphic designs of content

Content module will be devoted to research, development and production of new and creative interactive marketing templates. We plan to promptly update and upgrade the marketing templates following the latest market trend and hits, enabling our customers to successfully engage and interact with their end-customers utilising up-to-date marketing templates with the latest news and top trends.

## FUTURE PLANS AND USE OF PROCEEDS

In addition, we also plan to implement and integrate new functions on the user account system that are specially catered for large corporate customers with multiple sites and branches. New functions include but not limited to tools with monitoring capabilities to control the settings of sub-user accounts, and embedded tracking system to enable a timely tracking of content distribution data of different sub-user accounts with automatic generation of content distribution analysis for customer's assessment of the effectiveness of the marketing events.

Research and development of open module, which includes, among others, the enhancement of the ability to connect Content Engine with content suppliers

Open module will connect our platform with design studios through API connections, allowing designers from China and all over the world to share their marketing templates on our platform, which will enhance the amount and quality of content and diversity of marketing templates available on our Content Engine for our customers' use.

### 2022

- We will optimise our various contents editors to simplify the interface and provide them with a more user-friendly experience.
- We aim to provide at least 25 new marketing templates weekly following the latest market trends to give our customers greater choices of quality marketing materials, and enable our customers to create connection with their end-customers utilising up-to-date marketing templates.
- We aim to attract 8,000 additional users to our platform and a total of over 96,000 marketing materials will be created by the users through our platform.

## FUTURE PLANS AND USE OF PROCEEDS

### 2023

- We aim to integrate resourceful marketing templates by connecting with over 100,000 designers to share their marketing templates on our platform to enhance the content and diversity of marketing templates on our platform.
- We aim to attract 22,000 additional users to our platform and a total of over 264,000 marketing materials will be created by the users through our platform.

### 2024

- Through our technology development and platform capability upgrade, we will create a better content ecosystem and we aim to be one of the top market players in terms of the number of new marketing templates.
- We aim to attract 40,000 additional users to our platform and a total of over 480,000 marketing materials will be created by the users through our platform.

The following table sets out the number of staff, the qualifications and years of experience required and expected salary level for the positions we intend to recruit if we were to carry out the above research and development functions through our in-house research and development team:

Position	No. of staff to be hired	Qualifications required	Experience required	Expected monthly salary level
Project managers	2	Bachelor degree or above in computer science, computer engineer or related majors	Minimum of three years of project management experience in internet companies, software or IT industries	RMB15,000 – RMB30,000
Product managers	3	Bachelor degree or above in computer science or related majors	Minimum of five years of product management experience in creative design, interactive large screens, online interactive games and platform products	RMB15,000 – RMB35,000
User experience and user interface designers	1	Bachelor degree or above in design, art, psychology or related majors	Minimum of three years of experience in internet or mobile product interaction design and business-to-business product design	RMB15,000 – RMB30,000



## FUTURE PLANS AND USE OF PROCEEDS

Position	No. of staff to be hired	Qualifications required	Experience required	Expected monthly salary level
Front-end development engineers	4	Bachelor degree or above in computer science, software engineer or related majors	Minimum of three years of experience in website front-end development in large and medium-sized projects, and business-to-business project experience	RMB12,000 – RMB40,000
Back-end development engineers	4	Bachelor degree or above in computer science, software engineer or related majors	Minimum of three years of software development experience in large and medium-sized projects, and business-to-business project experience	RMB12,000 – RMB40,000
System architects	3	Bachelor degree or above in computer science or related majors	Minimum of five years of software development experience; three years of experience in large software; or two years of experience as an architect or technology director	RMB15,000 – RMB40,000
Testing engineers	2	Bachelor degree or above in computer science, software engineer or related majors	Minimum of three years of experience in software testing and SaaS platform project system testing	RMB10,000 – RMB30,000
Operation and maintenance engineers	1	Bachelor degree or above in computer science or related majors	Minimum of three years of experience in platform/system operation and maintenance	RMB12,000 – RMB30,000

We intend to hire the above staff in 2023.

- ii. approximately 5.4%, or HK\$14.7 million, for enhancing the data analytic capabilities and functions of our Content Engine platform to analyse the usage pattern of our marketing templates by our customers and the dissemination data (such as click-through rate and forwarding rate) of our marketing templates of the end-customers to provide insights to our customers on the performance of the marketing effects of the different marketing templates they used on our platform and thereby adjusting their marketing strategies accordingly. To assist with the development of our data analytic capabilities and functions, we intend to engage third party companies to provide such services;

## FUTURE PLANS AND USE OF PROCEEDS

Below sets out our implementation plan for enhancing our Content Engine data analytic capabilities:

Building middle-end platform infrastructure for data collection, data calculation, data service and data security

We intend to build a middle-end platform infrastructure which will be able to automatically collect our customers, and their corresponding end customers' marketing behaviours and build up a master labelling system which in turn will be able to suggest marketing templates and tools that are more tailored to the needs of our customers using the integral suggestion functions.

It will also promote the management of marketing activities digitally by allowing our customers to analyse the effects of using different marketing templates which in turn enables our customers to take swift actions to adjust their marketing strategies.

Enhancing functionalities of user template analysis and user behaviour habit analysis

Based on analysis of customer and user data and marketing activity data, we can provide insights to our customers on the performance of the marketing effects of the marketing templates they used on our Content Engine.

### 2022/2023

- We aim to establish over 500 and 1,500 types of digital labels by the end of 2022 and 2023, respectively, and integrate over 100,000 and 200,000 digital labelling making use of our customers and corresponding end customers' marketing behaviours by the end of 2022 and 2023, respectively, to facilitate the data analysis functions.
- Through the enhanced data analytic functions, we aim to increase our users' satisfaction and increase user retention rate by 30% for our SaaS interactive marketing services.

## FUTURE PLANS AND USE OF PROCEEDS

2024

- By utilising our built-in labelling systems and making use of user behaviour analysis, we aim to increase the end-customers' response rate to the marketing activity conducted by our customers using our marketing templates by 30%, and thereby assisting our customers to achieve their marketing goals in reaching their end-customers in a more efficient way.
- Through continuous optimisation of our data analytic functions, we aim to continue to increase user retention rate by 30% for our SaaS interactive marketing services.

### **Justifications of our SaaS Expansion Plan**

As we have fully utilised our existing employees in the research and development team in the creation and development of our Content Engine platform, we do not have enough staff members to cater for further development of new functions on our Content Engine platform.

We consider that there are certain advantages in hiring in-house research and development employees to expand our Content Engine including:

- it is generally more efficient and effective for us to manage in-house research and development team;
- in-house research and development team has good understanding of our SaaS business and our customers' demands;
- it is easier for us to gauge our resources and has greater flexibility in the deployment of labour resources; and
- it may be more difficult to integrate the technologies and functions developed by third party companies with our existing system.

Given the various advantages of hiring in-house research and development employees, we intend to hire our own staff to develop the core functions and technologies for our Content Engine, which are confidential and commercially sensitive. However, to better manage our risks and retain greater flexibility in the allocation of our resources, we intend to outsource the non-core functions to third party companies where the required technologies or services are readily available in the market and does not require a long lead time.

Our devotion of resources in the development of our SaaS interactive marketing services will be used in the application and infrastructure development of our Content Engine, which is expected to help us generate future economic benefits. The additional costs associated with our SaaS expansion plan will be capitalised as intangible assets and amortised over a ten year period. We expect that we can

## FUTURE PLANS AND USE OF PROCEEDS

breakeven in 2022. Further, our Directors do not expect that our SaaS expansion plan will have a material adverse impact on our Group's liquidity given that the funds for such expansion plan will be from our proceeds of the Global Offering.

Having considered the above and the following factors:

- our current business strategies together with the implementation plans with milestone achievements in the specified timeframe of our SaaS expansion plan set out above;
- our SaaS interactive marketing services could assist branded customers to acquire and commercialise private traffic by enhancing the loyalty of existing individual members of the branded customers and improving their repeating purchase rate;
- according to the Frost & Sullivan Report, decentralised e-commerce, which are e-commerce with private traffics, is becoming increasingly important with transaction value increased from RMB0.4 trillion in 2016 to RMB1.9 trillion in 2021, representing a CAGR of 36.6%, and is expected to further increase to RMB6.9 trillion in 2026. The rapid development of decentralised e-commerce market and growing user base of decentralised e-commerce platforms are expected to further drive brand owners' demand for SaaS marketing services;
- the penetration rate of China's SaaS marketing services market is relatively low at around 10% compared with the penetration rate of around 40% to 50% in the United States and the European Union and our Company, as such, believes there are high growth potential in China's SaaS marketing services market;
- the expected fast growth of the market size of the SaaS interactive marketing services market in the PRC, which is expected to increase with a CAGR of approximately 27.0% from RMB3.3 billion in 2021 to RMB10.9 billion in 2026 given the growing recognition of private traffic in China as the cost of acquiring public traffic is increasing;
- our historical capital expenditure for our SaaS interactive marketing services of RMB91.1 million and RMB8.5 million for 2021 and 4M2022, respectively;
- our revenue generated from our SaaS interactive marketing services of RMB10.6 million and RMB9.0 million which accounted for approximately 3.0% and 6.2% of our total revenue for 2021 and 4M2022, respectively, despite we only formally launched our SaaS platform in June 2021; and
- our rapid growth of our SaaS interactive marketing services where we had accumulated over 8,000 user accounts as at 30 September 2022 in around 15 months from our initial launch of our Content Engine;

our Directors are of the view, and the Sole Sponsor concurs, that our SaaS expansion plan is reasonable.

## FUTURE PLANS AND USE OF PROCEEDS

2. Approximately 31.7%, or HK\$87.4 million, for scaling up our IP contents portfolio and expanding our integrated marketing solutions businesses, including:
  - i. approximately 3.7%, or HK\$10.1 million, for developing our own IP contents and approximately 18.9%, or HK\$52.2 million for acquiring third party IP contents through either purchase or licensing (such as games, movies and animes) to broaden our IP portfolio and enrich our IP contents offerings. We will commercialise these IP contents through our sports and fashion lifestyle content marketing projects;

### *Selection criteria for third party IP acquisition*

We seek and evaluate third party IP targets for potential acquisition opportunities based on our industry experience and the following general selection criteria:

- *IP content type* — We will target IP content that conforms with current social development trend or norms. We will also take into account the nature and relevance of the IP content in different industries.
- *Scale of the IP content* — We will mainly take into account whether the IP content has a big influence or impact on the relevant industry. We will consider whether the IP content has two or more years of IP user data and other key data.
- *Publicity and distribution channels* — We will take in account the distribution channels available and the potential publicity exposure for the IP content, including the exposure to the number of people in the traditional media channels and publicity exposure in the online media channels, such as total number of online video clicks.
- *Popularity* — We will target IP content that is popular. We will consider a number of factors in determining its popularity, including but not limited to the number of purchasers of the marketing rights of the IP content, the number of fans of the IP content on different media channel, and the IP content's popularity according to Baidu Index\* (百度指數), a data sharing platform based on search data on Baidu.
- *Potentials* — We will take into account the potential market for the IP content and the spending power of the target group, the range of applicability and flexibility of the IP content; future IP trend and the commercial value of the IP content.

## FUTURE PLANS AND USE OF PROCEEDS

Depending on the type of IP contents, we may have different selection criteria. For example, for games IP contents, we would generally expect the IP contents to have over 130,000 fans on its online platform and monthly active users of over 180,000. For movies IP contents, we would generally expect the IP contents to have over 15 million fans on its online platform and an average of over 50 million views. However, to determine whether to acquire an IP content, we will take a wholistic approach and the above criteria are not exhaustive and are only for reference.

Frost & Sullivan has confirmed that, after its independent research and due inquiry, there are abundant suitable IP targets that meet the above selection criteria. As at the Latest Practicable Date, we had not identified any potential third party IPs for acquisition for our use of net proceeds from the Global Offering.

### *Development plan for own IP*

During the Track Record Period, we successfully developed and commercialised a number of our self-owned IP contents, including ABC Kids Planet Race\* (小馬星球). For each period of the Track Record Period, the utilisation rate of our self-owned IP contents was 37.5%, 54.5%, 53.8% and 30.8%, which is calculated based on the number of self-owned IP contents having been commercialised and used in at least one project during the corresponding period over the total number of self-owned IP contents during that period. To continuously attract our customers and maintain our competitiveness, it is necessary that we build up a large and diverse IP contents portfolio in order to keep up with the latest market trends and to cater to the needs of our customers as customers in different industries may have different preference on the IP contents. We therefore intend to continue to develop our own IP contents to widen our IP portfolio by our in-house marketing and design teams through the following implementation plan:

- *Identification of target consumer groups* – We will conduct market research to identify the target consumer groups of our customers and conduct analysis on the relevant consumer groups to identify the prevailing preferences and demand. Given our strengths in the sports and fashion style industries, we expect to develop our own IP contents focusing on these industries as our initial plan.
- *Identification of the need to develop our own IP* – After we have identified the target consumer groups and their preferences and demand, we will assess our existing IP portfolio and conduct cost-benefit analysis to determine whether we should develop our own IP contents or source third party IP contents.

## FUTURE PLANS AND USE OF PROCEEDS

- *Assessing interest from customers on IP proposals* – We will formulate the direction and basic idea of IP contents, taking into account the cost of development of the IP contents, expected number of participants to attend the events, location of events and channel to be used to incorporate the proposed IP contents in the projects. We will then approach a number of our targeted customers to present our proposed IP contents and gauge their interest.
- *Designing and creating our own IP contents* – If we have received positive feedback and sufficient indication of interest from our targeted customers, we will then proceed to develop our own IP contents. We will design and create the marketing contents and materials, and incorporate our customers’ brands into the marketing contents and materials according to the customers’ needs.

The following table sets forth the expected number and the expected timeframe for the development of our self-owned IP contents and for the acquisition or licensing of third party IP contents.

	<b>Year Ending 31 December</b>	
	<b>2023</b>	<b>2024</b>
Self-owned IP contents	3	1
Third party IP contents	6	3
<b>Total</b>	<b>9</b>	<b>4</b>

- ii. approximately 9.1%, or HK\$25.1 million, for (i) deepening cooperation with existing media channels and exploring new business opportunities with new media channels (such as online video and live streaming channels and engagement of popular KOLs); and (ii) enhancing the commercial values of our IP contents through advertising and promotion on media channels. Depending on the type of IP contents, we will adopt different advertising and promotion strategies. For example, for sports related IP contents, we intend to promote such IP contents on online media and apps focusing on sports and fitness consumer groups such as KEEP (a Chinese mobile fitness app), Joyrun (悦跑圈) (a Chinese sports data platform with over 110 million users), Joy Moving Circle (悦動圈) (a Chinese app which features a national sports community and service platform), Codoon (咕咚) (a Chinese mobile sports app) and Alisports (橙獅體育) (an online sports platform). For game related IP contents, we intend to promote such IP contents through online media and video platforms focusing on games and anime contents such as Bilibili (哔哩哔哩), Migu Animation (咪咕動漫), Tencent Video (騰訊視頻), Iqiyi (愛奇藝) and PPTV.



## FUTURE PLANS AND USE OF PROCEEDS

### *Impact of COVID-19 on our Event Content Marketing Services and Expansion Plan*

Although we have historically been focusing mostly on event content marketing projects for our content marketing services, the various COVID-19 restrictions imposed by the PRC government led to temporary postponement or cancellation of some of our content marketing projects particularly for event content marketing projects. Since the outbreak of COVID-19 in 2020, we have witnessed a sharp increase in our digital content marketing projects, primarily due to our customers' growing demand for marketing utilising online marketing channels and the COVID-19 pandemic further accelerated the digitalisation process in the PRC. In response to the rising demand of customers, in 2020, we launched several sports and fashion lifestyle digital content marketing projects and recorded higher revenue from digital content marketing projects both in 2020 and 2021. Depending on our customers' demand, we intend to continue to increase our investment in further developing our own IP and to grasp the opportunity to acquire quality IP from third parties in order to further enrich our IP contents portfolio and expand our integrated marketing solutions businesses, through both online and offline channels.

3. Approximately 16.0%, or HK\$44.2 million, for investment in expanding our geographical coverage and enlarging our customer base including:
  - i. approximately 9.6%, or HK\$26.5 million, for upgrading our Beijing office as our second headquarter, establishing new branch offices in first and second tier cities and/or hiring sales and marketing personnel to promote our services in those areas. While our projects and customers span across different parts of China, a majority of our customers are located in Fujian and Guangdong provinces, and majority of our projects are located in Fujian, Zhejiang, Guangdong and Shandong provinces. As such, further strengthening our geographical coverage to other first and second tier cities is part of our strategies. We will rent new office spaces and hire new employees including, among others, managers, media resources employees, administration employees and general sales and marketing employees, which is necessary for us to upgrade our Beijing office into our second headquarter and to establish new branch offices so that we can expand our customer base through extending our geographical coverage for our integrated marketing services. Further, through our geographical expansion, we intend to approach customers from other industries such as wine and liquor companies, furniture and homeware companies, and cosmetics companies to diversify and expand our customer base. Our Group's existing projects and customers span across various parts of China.

## FUTURE PLANS AND USE OF PROCEEDS

- ii. approximately 6.4%, or HK\$17.7 million, (i) for increasing advertising spending to enhance our brand awareness (such as advertising on magazines and participation in industry exhibitions); and (ii) for cooperating with more marketing agency companies with strong customer base;
4. Approximately 32.1%, or HK\$88.4 million, for pursuing investments and acquisitions that we believe can expand our offerings, strengthen our technological capabilities. In line with our business strategies, we intend to invest in other upstream companies that are complementary to our current businesses (such as IP contents companies, content creation companies, media resources companies and SaaS technologies companies) and growth strategies, specifically those that can help us enrich our offerings and enhance our technologies and products. Please see section headed “Business — Our Strategies — Pursue investment and acquisition opportunities” in this prospectus for further information; and

### *Selection criteria for acquisitions targets*

We seek potential acquisition and investment opportunities and select potential targets based on our industry experience and the following general selection criteria:

- *Business focus* — We target businesses that can achieve our business strategies. Business focuses of potential targets include, IP contents companies, content creation companies, media resources companies and SaaS technologies companies.
- *Geographic location* — To complement our strategy to expand our geographic coverage, we primarily focus on targets located in Beijing, Shanghai, Guangzhou, Shenzhen, Wuhan, Changsha, Nanjing, or Chengdu.
- *Revenue size* — We plan to primarily focus on targets with revenue ranging from approximately RMB0.1 billion to RMB0.2 billion as we consider targets of such size will be commensurable with our own size.

## FUTURE PLANS AND USE OF PROCEEDS

The following table sets forth the selection criteria for each type of potential targets:

	IP content company	Content creation company	Media resources company	SaaS technologies company
Business scope	IP content development and sale of peripheral products derived from the IP contents	Content creation	Advertisement placement through media channels and media resources agency	SaaS technology development and technical support
Geographical location of the target	Beijing, Shanghai, Shenzhen, Guangzhou, Chengdu, Changsha or Wuhan	Beijing, Shanghai, Shenzhen or Guangzhou	Beijing, Shanghai, Shenzhen or Guangzhou	Shenzhen, Guangzhou, Chengdu, Changsha or Wuhan
Approximate revenue and net profit	Revenue of around RMB100 million	Revenue of around RMB100 million	Revenue of around RMB300 million	Revenue of around RMB100 million
	Profit of around RMB10 million	Profit of around RMB10 million	Profit of around RMB10 million	Profit of around RMB20 million
Primary customer base	Fast moving consumer goods industry	Household and personal care product industry	Automobile industry	Footwear and apparel industry

### *Availability of targets*

We expect to acquire 2–3 target companies. Frost & Sullivan has confirmed that, after its independent research and due inquiry, there are in aggregate approximately 800 suitable target companies that meet the above selection criteria. As such, our Directors are of the view that there are sufficient number of targets available for us to acquire.

## FUTURE PLANS AND USE OF PROCEEDS

### *Potential impact*

We expect the acquisition plan will have positive impact on our Group's business operations and financial performance. With addition of targets meeting our selection criteria to compliment our existing business, we expect the acquired companies will bring about synergy to our overall business operations, thereby contributing to our top line revenue, reducing our external purchase or outsourcing costs, improving our cost structure, and achieving higher profitability.

As at the Latest Practicable Date, we had not identified or pursued any acquisition target.

### *Funding*

We expect that the total acquisition amount will be no more than RMB150 million for acquisition of the potential targets, part of which in the amount of HK\$88.4 million is intended to be funded from the proceeds from the Global Offering and the remaining by our internal resources including our cash flow from our operations.

5. Approximately 5.5%, or HK\$15.2 million, for working capital and general corporate use.

## FUTURE PLANS AND USE OF PROCEEDS

### Implementation Timeframe

As we have formulated our business strategies and future plans taking into account the expected available proceeds from the Global Offering, our planned use of proceeds is commensurate with our further strategic plans. We anticipate our implementation plan and timeframe, as well as the intended capital investment required for our business plans will follow the expected implementation timetable of our planned use of proceeds as set out below:

	<b>Year Ending 31 December</b>		<b>Total</b>
	<b>2023</b>	<b>2024</b>	
	<i>(HK\$ in millions)</i>		
<b>Enhancing our SaaS interactive marketing platform</b>			
• Enhancing contents and functionalities of our Content Engine platform	12.9	12.8	25.7
• Enhancing data analytic capabilities of our Content Engine platform	7.4	7.3	14.7
<b>Scaling up our IP contents and expanding our integrated marketing solutions business</b>			
• Investment in IP contents offerings	42.3	20.0	62.3
• Purchasing of media resources and advertising and promotion of IP contents	12.6	12.5	25.1
<b>Investment in expanding our geographical coverage and customer base</b>			
• Expansion of geographical coverage	6.6	19.9	26.5
• Advertising spending and cooperation with marketing agency companies	6.2	11.5	17.7
<b>Strategic cooperation, investments and acquisitions</b>	39.9	48.5	88.4
<b>Working capital and general corporate purpose</b>	15.2	–	15.2
<b>Total</b>	<b>143.1</b>	<b>132.5</b>	<b>275.6</b>

If the Offer Price is set at the high-end of the Offer Price range or the low-end of the Offer Price range, the net proceeds of the Global Offering will increase or decrease by

## FUTURE PLANS AND USE OF PROCEEDS

approximately HK\$38.0 million. If we make a Downward Offer Price Adjustment to set the Offer Price at HK\$1.70 per Offer Share, the net proceeds of the Global Offering will be further reduced by an additional amount of approximately HK\$27.4 million.

If the Over-allotment Option is exercised in full, the additional proceeds from the Global Offering will be approximately HK\$51.1 million in the event that the Offer Price is set at HK\$2.13 per Offer Share (being the mid-point of the indicative Offer Price range), approximately HK\$57.1 million in the event that the Offer Price is set at HK\$2.38 per Offer Share (being the high end of the indicative Offer Price range), or approximately HK\$45.1 million in the event that the Offer Price is set at HK\$1.88 per Offer Share (being the low-end of the indicative Offer Price range), or approximately HK\$40.8 million in the event that we make a Downward Offer Price Adjustment to set the Offer Price at HK\$1.70 per Offer Share.

In each of the above circumstances, we intend to apply the net proceeds for the various intended uses set out above in the proportions as stated above and the amount of net proceeds to be applied for each intended use will be adjusted accordingly. We will make an appropriate announcement if there is any change to the above proposed use of proceeds.

To the extent that the net proceeds of the Global Offering are not immediately used for the purposes described above and to the extent permitted by the relevant laws and regulations, we will only hold such funds in short-term interest-bearing deposits with authorised financial institutions and/or licensed banks (as defined under the SFO or applicable laws and regulations in the PRC).

## UNDERWRITING

### HONG KONG UNDERWRITERS

Zhongtai International Securities Limited

Sunfund Securities Limited

CLSA Limited

Zheshang International Financial Holdings Co., Limited

SPDB International Capital Limited

BOCOM International Securities Limited

Shenwan Hongyuan Securities (H.K.) Limited

China Industrial Securities International Capital Limited

Guotai Junan Securities (Hong Kong) Limited

First Shanghai Securities Limited

Maxa Capital Limited

Valuable Capital Limited

West Bull Securities Limited

Goldlink Securities Limited

ZMF Asset Management Limited

Tiger Brokers (HK) Global Limited

Livermore Holdings Limited

### UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters. If, for any reason, the Offer Price is not agreed between the Sole Representative (for itself and on behalf of the Underwriters) and our Company, the Global Offering will not proceed and will lapse.



## UNDERWRITING

The Global Offering comprises the Hong Kong Public Offering of initially 16,000,000 Hong Kong Offer Shares and the International Offering of initially 144,000,000 International Offer Shares, subject, in each case, to reallocation on the basis as described in the section headed “Structure of the Global Offering” in this prospectus as well as to the Over-allotment Option in the case of the International Offering.

### UNDERWRITING ARRANGEMENTS AND EXPENSES

#### Hong Kong Public Offering

##### *Hong Kong Underwriting Agreement*

Pursuant to the Hong Kong Underwriting Agreement, we are offering the Hong Kong Offer Shares (subject to reallocation) for subscription on the terms and conditions set out in this prospectus, the **GREEN** Application Form and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (i) the Hong Kong Stock Exchange granting approval for the listing of, and permission to deal in, our Shares in issue and to be issued pursuant to the Global Offering (including any of our Shares that may be issued under the Over-allotment Option, any of our Shares which may be issued upon the exercise of options granted or to be granted under the Share Option Scheme and any of our Shares which may be issued upon the conversion of Shares pursuant to the Pre-HKIPO Loans); and (ii) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally to subscribe or procure subscribers for their respective applicable proportions of the Hong Kong Offer Shares being offered, which are not taken up under the Hong Kong Public Offering, on the terms and conditions set out in this prospectus, the **GREEN** Application Form and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on, amongst other things, the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms.

##### *Grounds for Termination*

If any of the events set out below shall occur at any time prior to 8:00 a.m. on the Listing Date, the Sole Representative (for itself and on behalf of the Hong Kong Underwriters) and the Sole Sponsor shall be entitled by notice (orally or in writing) to our Company to terminate the Hong Kong Underwriting Agreement with immediate effect:

- (A) there shall develop, occur, exist or come into effect:
  - (a) any local, national, regional, international event or circumstance in the nature of force majeure (including any act of government, declaration of a national or international emergency or war, calamity, crisis, epidemic, pandemic, outbreak of disease, economic sanction, strike, lock-out, fire, explosion, flooding, earthquake, volcanic eruption, civil commotion,

## UNDERWRITING

riot, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), act of God or act of terrorism) in or affecting Hong Kong, the PRC, the Cayman Islands, the British Virgin Islands, the United States, the United Kingdom and the European Union (or any member thereof) (the “**Relevant Jurisdiction**”); or

- (b) any change, or any development involving a prospective change, or any event or circumstance likely to result in any change or development involving a prospective change, in any local, national, regional or international financial, economic, political, military, industrial, legal, fiscal, regulatory, currency, credit or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets, credit markets, or a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States) in or affecting any Relevant Jurisdiction; or
- (c) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Hong Kong Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Tokyo Stock Exchange, the Shanghai Stock Exchange, or the Shenzhen Stock Exchange; or
- (d) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent authority), New York (imposed at Federal or New York State level or other competent authority), London, the PRC or any other Relevant Jurisdiction, or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in any of those places or jurisdictions; or
- (e) any new law, or any change or any development involving a prospective change or any event or circumstance likely to result in a change or a development involving a prospective change in (or in the interpretation or application by any court or other competent authority of) existing laws, in each case, in or affecting any Relevant Jurisdiction; or
- (f) the imposition of sanctions, in whatever form, directly or indirectly under any sanction laws and regulations in any Relevant Jurisdiction or affecting any member of our Group; or

## UNDERWRITING

- (g) a change or development involving a prospective change in or affecting taxation or exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a material devaluation of the Hong Kong dollar or the Renminbi against any foreign currencies), or the implementation of any exchange control in any Relevant Jurisdiction; or
- (h) any litigation or claim of any third party being threatened or instigated against any member of our Group, any of our Directors or our Controlling Shareholders; or
- (i) any of our Directors being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management of a company; or
- (j) the chairperson or chief executive officer of our Company vacating his/her office; or
- (k) an authority or a political body or organisation in any Relevant Jurisdiction commencing any investigation or other action, or announcing an intention to investigate or take other action, against any of our Directors or any member of our Group; or
- (l) a contravention by any member of our Group of the Listing Rules or applicable laws; or
- (m) a prohibition on our Company for whatever reason from offering, allotting, issuing or selling any of our Shares (including Shares which may be allotted and issued pursuant to the Over-allotment Options) pursuant to the terms of the Global Offering; or
- (n) non-compliance of this prospectus (or any other documents used in connection with the contemplated offer and sale of our Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable laws; or
- (o) the issue or requirement to issue by our Company of any supplement or amendment to this prospectus (or to any other documents used in connection with the contemplated offer and sale of our Shares) pursuant to the Companies Ordinance or the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or any requirement or request of the Hong Kong Stock Exchange and/or the SFC, without the prior written approval of the Sole Sponsor and the Sole Representative (for itself and on behalf of the Hong Kong Underwriters), to be material and adverse in the context of the Global Offering; or

## UNDERWRITING

- (p) an order or petition for the winding up or liquidation of any member of our Group or any composition or arrangement made by any member of our Group with our creditors or a scheme of arrangement entered into by any member of our Group or any resolution for the winding-up of any member of our Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of our Group or anything analogous thereto occurring in respect of any member of our Group; or
- (q) a valid demand by any creditor for repayment or payment of any of our Company's indebtedness or those of any of member of our Group or in respect of which our Company or any of member of our Group are liable prior to its stated maturity, or any loss or damage sustained by our Company or any of member of our Group (howsoever caused and whether or not the subject of any insurance or claim against any person) which would affect the overall working capital position of our Group to meet the working capital requirements,

which, individually or in the aggregate, in the sole and absolute opinion of the Sole Sponsor and the Sole Representative (1) has or will have or may have a material adverse change on the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of our Group as a whole; or (2) has or will have or may have a material adverse change on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of interest under the International Offering; or (3) makes or will make or may make it inadvisable or inexpedient or impracticable for the Global Offering to proceed or to market the Global Offering; or (4) has or will have or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

- (B) there has come to the notice of the Sole Sponsor and the Sole Representative:
  - (a) that any statement contained in this prospectus, the **GREEN** Application Form and/or in any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto), considered by the Sole Sponsor and the Sole Representative in their sole and absolute opinion, was, when it was issued, or has become, untrue, incorrect or misleading in any material respect, or that any forecast, estimate, expression of opinion, intention or expectation contained in this prospectus, the **GREEN** Application Form and/or any notices, announcements, advertisements, communications or other documents

## UNDERWRITING

issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) is not, in the sole and absolute opinion of the Sole Sponsor and the Sole Representative, fair and honest and based on reasonable assumptions; or

- (b) that any matter has arisen or has been discovered which would or might, had it arisen or been discovered immediately before the date of this prospectus, constitute a material omission from this prospectus, the **GREEN** Application Form and/or in any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto); or
- (c) any material breach of any of the material obligations or material undertakings imposed upon any party to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (other than upon any of the Hong Kong Underwriters or the International Underwriters); or
- (d) any matter, event, act or omission which gives or is likely to give rise to any material liability of any of the Indemnifying Parties (as defined in the Hong Kong Underwriting Agreement) pursuant to the Hong Kong Underwriting Agreement; or
- (e) any material adverse change, or any development involving a prospective material adverse change, in the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of any member of our Group; or
- (f) any material breach of, or any event or circumstance rendering untrue, incorrect or misleading in any material respect, any of the representations and warranties given by the Warrantors (as defined in the Hong Kong Underwriting Agreement) under the Hong Kong Underwriting Agreement; or
- (g) that approval by the listing committee of the Hong Kong Stock Exchange of the listing of, and permission to deal in, the Shares to be issued or sold (including any Shares that may be issued or sold pursuant to the exercise of the Over-Allotment Option, any Shares which may be issued upon the exercise of options granted or to be granted under the Share Option Scheme and any Shares which may be issued upon the conversion of Shares pursuant to the Pre-HKIPO Loans) under the Global Offering is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, that the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or

## UNDERWRITING

- (h) a withdrawal by our Company of this prospectus (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering; or
- (i) that a portion of the orders placed or confirmed in the book building process, or of the investment commitments made by any cornerstone investor under agreement signed with such cornerstone investor, have been withdrawn, terminated or cancelled; or
- (j) any contravention by any member of our Group of the Listing Rules or the Companies Ordinance or any applicable laws or regulations in any material respect; or
- (k) any person (other than the Hong Kong Underwriters and the Sole Sponsor) whose consent is required for the issue of this prospectus with the inclusion of its reports, letters or opinions and references to its name included in the form and context in which it respectively appears, has withdrawn or sought to withdraw its consent to being named in any of the documents in relation to the Global Offering or to the issue of any of the documents in relation to the Global Offering; or
- (l) any loss or damage has been sustained by any member of our Group (howsoever caused and whether or not the subject of any insurance or claim against any person) which is considered by the Sole Sponsor and the Sole Representative in their sole and absolute opinion to be material.

### *Undertakings to the Hong Kong Stock Exchange pursuant to the Listing Rules*

#### *(A) Undertakings by our Company*

Pursuant to Rule 10.08 of the Listing Rules, we have undertaken to the Hong Kong Stock Exchange that we will not issue any further of our Shares or securities convertible into equity securities of our Company (whether or not of a class already listed) or enter into any agreement to such issue within six months from the Listing Date (whether or not such issue of our Shares or securities will be completed within six months from the Listing Date), except pursuant to the Global Offering (including the exercise of the Over-Allotment Option and the options which may be granted under the Share Option Scheme and the conversion of Shares pursuant to Pre-HKIPO Loans) or under any of the circumstances provided under Rule 10.08 of the Listing Rules.

#### *(B) Undertakings by the Controlling Shareholders*

Pursuant to Rule 10.07 of the Listing Rules, our Controlling Shareholders (immediately upon the Listing) have undertaken to the Hong Kong Stock Exchange that, except pursuant to the lending of our Shares pursuant to the Stock Borrowing Agreement or save for the creation of a pledge or charge as permitted under Note (2) to Rule 10.07(2) of the Listing Rules (the “**Permissible Pledge**”) or disposal pursuant to the Permissible

## UNDERWRITING

Pledge, they will not (and will procure that their close associates or companies controlled by them or their nominees or trustees (as the case may be) who is/are the registered holder(s) of the Shares as referred to in paragraph (i) below shall not):

- (i) in the period commencing on the date of this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of our Shares in respect of which they are shown by this prospectus to be the beneficial owners (whether direct or indirect); or
- (ii) during the period of six months immediately after the date on which the period referred to in paragraph (i) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of our Shares referred to in paragraph (i) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, they would cease to be or cease to be deemed to be Controlling Shareholder of us.

Our Controlling Shareholders (immediately upon the Listing) further undertake that within the period commencing on the date of this prospectus and ending on the date which is twelve months from the Listing Date, they shall:

- (i) when they pledge or charge any Shares beneficially owned by them in favour of an authorised institution pursuant to Note (2) to Rule 10.07(2) of the Listing Rules, immediately inform us in writing of such pledge or charge together with the number of Shares so pledged or charged; and
- (ii) when they receive indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged Shares will be disposed of, immediately inform us in writing of such indications.

As permitted under Note (1) to Rule 10.07(2) of the Listing Rules, notwithstanding the above restrictions, they are free to purchase additional Shares or other securities of our Company during the period commencing on the date of this prospectus and ending on the date which is 12 months from the Listing Date, and dispose of such securities so purchased during the relevant period without any restrictions, subject to compliance with the requirements of Rule 8.08 of the Listing Rules to maintain an open market in our Shares and a sufficient public float.

### ***Undertakings pursuant to the Hong Kong Underwriting Agreement***

#### ***(A) Undertakings by our Company***

Except for the offer and sale of the Offer Shares pursuant to the Global Offering (including pursuant to the Over-allotment Option and the issue of Shares pursuant to the Capitalisation Issue), the Share Option Scheme and Shares to be issued pursuant to the Pre-HKIPO Loans, during the period commencing on the date of the Hong Kong



## UNDERWRITING

Underwriting Agreement and ending on, and including, the date that is six months after the Listing Date (the “**First Six-Month Period**”), our Company hereby undertakes to each of the Sole Sponsor, the Sole Representative, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters not to, without the prior written consent of the Sole Sponsor and the Sole Representative (for itself and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules and only after the consent of any relevant authority (if so required) has been obtained:

- (a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any of our Shares or other securities of our Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any of our Shares or other equity securities of our Company or any interest in any of the foregoing), or deposit any of our Shares or other securities of our Company or any interest in any of the foregoing, with a depository in connection with the issue of depository receipts; or
- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any of our Shares or other securities of our Company or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any of our Shares or other equity securities of our Company or any interest in any of the foregoing); or
- (c) enter into any transaction with the same economic effect as any transaction specified in paragraphs (a) or (b) above; or
- (d) offer to or agree to or announce any intention to effect any transaction specified in paragraphs (a), (b) or (c) above,

in each case, whether any of the transactions specified in paragraphs (a), (b) or (c) above is to be settled by delivery of our Shares or other securities of our Company or in cash or otherwise (whether or not the issue of such Shares or other shares or securities will be completed within the First Six-month Period). In the event that, during the period of six months commencing on the date on which the First Six-month Period expires (the “**Second Six-Month Period**”), our Company enters into any of the transactions specified in paragraphs (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction, our Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of our Company.

## UNDERWRITING

Our Controlling Shareholders and our executive Directors undertake to each of the Sole Sponsor, the Sole Representative, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters to procure our Company to comply with the undertakings set out above.

*(B) Undertakings by the Controlling Shareholders*

Each of our Controlling Shareholders acknowledges and agrees that under Rule 10.07 of the Listing Rules:

- (a) it/he/she will not, and shall procure that the relevant registered holder(s) and its/his/her associates and companies controlled by it/him/her and any nominee or trustee holding in trust for it/him/her (together, the “**Controlled Entities**”) not to, at any time during the six months from the Listing Date (the “**Six Month Period**”), (i) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any of our Shares or other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any of our Shares), or deposit any of our Shares or other securities of our Company with a depositary in connection with the issue of depositary receipts, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any of our Shares or other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any of our Shares), or (iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) of this clause, or (iv) offer to or agree to or announce any intention to effect any transaction specified in (i), (ii) or (iii) of this clause, in each case, whether any of the transactions specified in (i), (ii) or (iii) of this clause is to be settled by delivery of our Shares or other securities of our Company or in cash or otherwise (whether or not the issue of such Shares or other securities of our Company will be completed within the Six Month Period);
  
- (b) it/he/she will not, during the period of six months commencing on the date on which the Six Month Period expires (the “**Subsequent Six-Month Period**”), enter into any of the transactions specified in (i), (ii) or (iii) of this sub-clause (a) above or offer to or agree to or announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or encumbrance pursuant to such transaction, it/he/she will cease to be a Controlling Shareholder; and

## UNDERWRITING

- (c) until the expiry of the Subsequent Six-Month Period, in the event that it/he/she enters into any of the transactions specified in (i), (ii) or (iii) of this sub-clause (a) above or offers to or agrees to or announces any intention to effect any such transaction, it/he/she will take all reasonable steps to ensure that it/he/she will not create a disorderly or false market in the securities of our Company.

In addition to the mandatory lock up requirement under the Listing Rules, each of our Controlling Shareholders hereby further undertakes to each of our Company, the Sole Sponsor, the Sole Representative, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, without the prior written consent of the Sole Sponsor and the Sole Representative (for itself and on behalf of the Hong Kong Underwriters) and except permitted under the Listing Rules, it/he/she shall not, at any time during the 24 months from the Listing Date, dispose of, nor enter into any agreement to dispose of, any of the Shares in which it/he/she is directly or indirectly interested in.

Each of our Controlling Shareholders has further undertaken to our Company, the Sole Sponsor, the Sole Representative, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that they will, at any time within the period commencing on the date of the Hong Kong Underwriting Agreement and ending on the date which is 12 months after the Listing Date:

- (a) upon any pledge or charge in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) of any of our Shares or securities or interests in our Shares or securities of our Company beneficially owned by it/him/her for a bona fide commercial loan, immediately inform our Company, the Sole Sponsor and the Sole Representative in writing of such pledge or charge together with the number of our Shares or securities so pledged or charged; and
- (b) upon any indication received by it/him/her, either verbal or written, from any pledgee or chargee that any of the pledged or charged Shares or securities or interests in our Shares or securities of our Company will be disposed of, immediately inform our Company and the Sole Representative and the Sole Sponsor in writing of such indications. Our Company agrees and undertakes to the Sole Sponsor, the Sole Representative, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and each of the Hong Kong Underwriters that, upon receiving such information in writing from our Controlling Shareholders, it shall, as soon as practicable, notify the Hong Kong Stock Exchange and make an announcement in accordance with the Listing Rules.

## UNDERWRITING

### *Hong Kong Underwriters' Interests in our Company*

Save for their respective obligations under the Hong Kong Underwriting Agreement and/or the International Underwriting Agreement and, if applicable, the Stock Borrowing Agreement, as at the Latest Practicable Date, none of the Hong Kong Underwriters was interested legally or beneficially, directly or indirectly, in any of our Shares or other securities of our Company or any other member of our Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any of our Shares or other securities of our Company or any other member of our Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of our Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement and/or the International Underwriting Agreement.

### **International Offering**

#### *International Underwriting Agreement*

In connection with the International Offering, we, our Controlling Shareholders and our executive Directors expect to enter into the International Underwriting Agreement with the Sole Sponsor and the International Underwriters. Under the International Underwriting Agreement and subject to the Over-allotment Option, the International Underwriters would, subject to certain conditions set out therein, agree severally and not jointly to procure purchasers for, or themselves purchase, their respective proportions of the International Offer Shares being offered pursuant to the International Offering.

We are expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Sole Representative (for itself and on behalf of the International Underwriters), with the consent of our Company, at any time from the date of the International Underwriting Agreement until 30 days after the last date for the lodging of applications under the Hong Kong Public Offering, to require our Company to issue and allot up to an aggregate of 24,000,000 additional Offer Shares representing approximately 15% of the initial Offer Shares, at the same price per Offer Share under the International Offering to, among other things, cover over allocations (if any) in the International Offering. It is expected the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors shall be reminded that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed.

### **Commissions and Expenses**

The Hong Kong Underwriters are expected to receive an underwriting commission of 5% of the aggregate Offer Price payable for the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering. For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, we will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the

## UNDERWRITING

International Underwriters and not the Hong Kong Underwriters. In respect of the International Offering, we expect to pay an underwriting commission of 5% of the aggregate Offer Price for the International Offer Shares, including any Shares which may be allotted under the exercise of the Over-allotment Option, subject to the reallocation and market condition. The commissions payable to the Underwriters will be borne by our Company with respect to the new Offer Shares to be issued by our Company under the Global Offering (including pursuant to the exercise of the Over-allotment Option). Our Company may, at its sole discretion, pay to the Underwriters an additional incentive fee of up to 3% of the Offer Price multiplied by the total number of Offer Shares.

The aggregate underwriting commissions and fees payable to the Underwriters, together with the Hong Kong Stock Exchange listing fees, the SFC transaction levy, the Hong Kong Stock Exchange trading fee and the AFRC transaction levy, legal and other professional fees and printing and all other expenses in relation to the Global Offering are estimated to be approximately RMB59.1 million (assuming an Offer Price of HK\$2.13 per Offer Share (which is the mid-point of the indicative Offer Price range), and the Over-allotment Option is not exercised) and will be paid by us.

### **Indemnity**

We, our Controlling Shareholders and our executive Directors have agreed to indemnify the Hong Kong Underwriters for certain losses which they may suffer or incur, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by our Company of the Hong Kong Underwriting Agreement.

### **INDEPENDENCE OF THE SOLE SPONSOR**

Zhongtai International Capital Limited satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

### **ACTIVITIES BY UNDERWRITERS**

The Underwriters and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilising process.

The Underwriters and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Underwriters and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers.

## UNDERWRITING

In relation to our Shares, the activities of the Underwriters and their affiliates could include acting as agent for buyers and sellers of our Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of our Shares (which financing may be secured by our Shares) in the Global Offering, proprietary trading in our Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including our Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of our Shares, which may have a negative impact on the trading price of our Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Underwriters and their affiliates holding long and/or short positions in our Shares, in baskets of securities or indices including our Shares, in units of funds that may purchase our Shares, or in derivatives related to any of the foregoing.

In relation to issues by the Underwriters or their affiliates of any listed securities having our Shares as their underlying securities, whether on the Hong Kong Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in our Shares in most cases.

All such activities may occur both during and after the end of the stabilising period described in “Structure of the Global Offering” in this prospectus. Such activities may affect the market price or value of our Shares, the liquidity or trading volume in our Shares and the volatility of the price of our Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Underwriters will be subject to certain restrictions, including the following:

- (a) the Underwriters (other than the Stabilising Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilising or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and
- (b) the Underwriters must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Underwriters or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to our Company and our Company’s affiliates for which such Underwriters or their respective affiliates have received or will receive customary fees and commissions.

## UNDERWRITING

### RESTRICTIONS ON THE OFFER SHARES

No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, without limitation to the following, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering and sales of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.



## STRUCTURE OF THE GLOBAL OFFERING

### THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises:

- (a) the Hong Kong Public Offering of initially 16,000,000 Offer Shares (subject to reallocation and adjustment) in Hong Kong as described in the paragraph headed “— The Hong Kong Public Offering” in this section of this prospectus; and
- (b) the International Offering of initially 144,000,000 Offer Shares (subject to reallocation, adjustment and the Over-allotment Option) outside the United States in offshore transactions in reliance on Regulation S as described below in the paragraph headed “— The International Offering” in this section of this prospectus below.

Investors may apply for Hong Kong Offer Shares under the Hong Kong Public Offering or apply for or indicate an interest in International Offer Shares under the International Offering, but may not do both.

References in this prospectus to applications, **GREEN** Application Form, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

### THE HONG KONG PUBLIC OFFERING

#### Number of Offer Shares Initially Offered

We are initially offering 16,000,000 Hong Kong Offer Shares, representing approximately 10% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price for subscription by the public in Hong Kong. Subject to the reallocation of Shares between (i) the International Offering, and (ii) the Hong Kong Public Offering, the Hong Kong Offer Shares will represent approximately 2.0% of our Company’s issued share capital immediately after completion of the Global Offering (assuming that the Pre-HKIPO Loans are not converted into Shares and the Over-allotment Option is not exercised and without taking into account any Shares which may be issued upon the exercise of options granted or to be granted under the Share Option Scheme).

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers and companies (including fund managers) whose ordinary business involves dealing in shares and other securities, and corporate entities which regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions as set out in the paragraph headed “— Conditions of the Hong Kong Public Offering” in this section of this prospectus.

## STRUCTURE OF THE GLOBAL OFFERING

### Allocation

Allocation of the Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

The total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking account of any reallocation referred to below) will be divided equally into two pools for allocation purposes: Pool A and Pool B with any odd lots being allocated to Pool A:

- (A) Pool A: The Hong Kong Offer Shares in Pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with a total subscription price of HK\$5 million (excluding the brokerage, SFC transaction levy, the Hong Kong Stock Exchange trading fee and AFRC transaction levy payable) or less.
- (B) Pool B: The Hong Kong Offer Shares in Pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with a total subscription price of more than HK\$5 million (excluding the brokerage, SFC transaction levy, the Hong Kong Stock Exchange trading fee and AFRC transaction levy payable) and up to the total value of Pool B.

For the purpose of this sub-section only, the “subscription price” for Hong Kong Offer Shares means the price payable on application (without regard to the Offer Price as finally determined).

Applicants should be aware that applications in Pool A and applications in Pool B may receive different allocation ratios. If Hong Kong Offer Shares in one (but not both) of the two pools are undersubscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly.

Applicants can only receive an allocation of Hong Kong Offer Shares from either Pool A or Pool B, but not from both pools. Multiple or suspected multiple applications and any application for more than 8,000,000 Hong Kong Offer Shares (being 50% of the 16,000,000 Offer Shares initially available under the Hong Kong Public Offering) will be rejected.

## STRUCTURE OF THE GLOBAL OFFERING

### Reallocation

The allocation of Shares between the Hong Kong Public Offering and the International Offering is subject to adjustment. Paragraph 4.2 of Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place, which would have the effect of increasing the number of Hong Kong Offer Shares to certain percentages of the total number of Offer Shares to be offered in the Global Offering if certain prescribed total demand levels in the Hong Kong Public Offering are reached:

- (i) 16,000,000 Offer Shares are initially available in the Hong Kong Public Offering, representing approximately 10% of the Offer Shares initially available under the Global Offering;
- (ii) if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 15 times or more but less than 50 times the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of Offer Shares available under the Hong Kong Public Offering will be 48,000,000 Offer Shares, representing approximately 30% of the Offer Shares initially available under the Global Offering;
- (iii) if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 50 times or more but less than 100 times the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of Offer Shares available under the Hong Kong Public Offering will be 64,000,000 Offer Shares, representing approximately 40% of the Offer Shares initially available under the Global Offering; and
- (iv) if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 100 or more than the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of Offer Shares available under the Hong Kong Public Offering will be 80,000,000 Offer Shares, representing approximately 50% of the Offer Shares initially available under the Global Offering.

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Sole Representative (for itself and on behalf of the Underwriters). Subject to the foregoing paragraph, the Sole Representative may in its discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed for, the Sole Representative has the

## STRUCTURE OF THE GLOBAL OFFERING

authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Sole Representative deems appropriate.

In addition, the Sole Representative (for itself and on behalf of the Underwriters) may, at its discretion, reallocate Offer Shares initially allocated for the International Offering to the Hong Kong Public Offering to satisfy valid applications in Pool A and Pool B under the Hong Kong Public Offering pursuant to HKEx-GL91-18. In the event that (i) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times; or (ii) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed as to less than 15 times of the number of Hong Kong Offer Shares initially available under the Hong Kong Public Offering provided that the Offer Price would be set at HK\$1.88, the low-end of the indicative Offer Price range, or (if a Downward Offer Price Adjustment is made) the final Offer Price after making a Downward Offer Price Adjustment, up to 16,000,000 Shares may be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be increased to 32,000,000 Offer Shares, representing 20.0% of the number of the Offer Shares initially available under the Global Offering (before any Shares to be converted under the Pre-HKIPO Loans or any exercise of the Over-allotment Option and without taking into account any Shares which may be issued upon the exercise of options granted or to be granted under the Share Option Scheme).

### **Applications**

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him/her/it that he/she/it and any person(s) for whose benefit he/she/it is making the application has not applied for or taken up, or indicated an interest in, and will not apply for or take up, or indicate an interest in, any International Offer Shares under the International Offering, and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or he/she/it has been or will be placed or allocated International Offer Shares under the International Offering.

Applicants under the Hong Kong Public Offering are required to pay, on application, the maximum price of HK\$2.38 per Offer Share in addition to the brokerage, SFC transaction levy, the Hong Kong Stock Exchange trading fee and the AFRC transaction levy payable on each Offer Share. If the Offer Price, as finally determined in the manner described in the paragraph headed “— Pricing and Allocation” in this section of this prospectus, is less than the maximum price of HK\$2.38 per Offer Share, appropriate refund payments (including the brokerage, SFC transaction levy, the Hong Kong Stock Exchange trading fee and the AFRC transaction levy attributable to the surplus application monies) will be made to successful applicants, without interest. Further details are set out in the section headed “How to Apply for Hong Kong Offer Shares” in this prospectus.

## STRUCTURE OF THE GLOBAL OFFERING

### THE INTERNATIONAL OFFERING

#### Number of Offer Shares Offered

Subject to the reallocation as described above, the number of Offer Shares to be initially offered under the International Offering will be 144,000,000, representing approximately 90% of the total number of Offer Shares initially available under the Global Offering. Subject to the reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering, the number of Offer Shares initially offered under the International Offering will represent approximately 18.0% of our Company's issued share capital immediately after completion of the Global Offering, assuming that the Pre-HKIPO Loans are not converted into Shares and the Over-allotment Option is not exercised and without taking into account any Shares which may be issued upon the exercise of options granted or to be granted under the Share Option Scheme.

#### Allocation

International Offer Shares will be selectively placed with certain professional and institutional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S. The International Offering is subject to, among others, the Hong Kong Public Offering being unconditional.

Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in the paragraph headed "— Pricing and Allocation" in this section of this prospectus and based on a number of factors, including the level and timing of demand, total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely hold or sell, Shares, after the listing of our Shares on the Hong Kong Stock Exchange. Such allocation is intended to result in a distribution of our Shares on a basis which would lead to the establishment of a solid shareholder base to the benefit of our Company and our Shareholders as a whole.

The Sole Representative (for itself and on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering, to provide sufficient information to the Sole Representative (for itself and on behalf of the Underwriters) so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any application of Offer Shares under the Hong Kong Public Offering.

#### Reallocation

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of the clawback arrangement described in the paragraph headed "— The Hong Kong Public Offering — Reallocation" in this section of this prospectus, the exercise of the Over-allotment Option in whole or in part described in the paragraph headed "— Over-allotment Option" in this section of this prospectus and any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering at the discretion of the Sole Representative.

## STRUCTURE OF THE GLOBAL OFFERING

### OVER-ALLOTMENT OPTION

In connection with the Global Offering, it is expected that our Company will grant the Over-allotment Option to the International Underwriters, which will be exercisable by the Sole Representative (for itself and on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the International Underwriters have the right, exercisable by the Sole Representative (for itself and on behalf of the International Underwriters), with the consent of our Company, at any time from the effective date of the International Underwriting Agreement to the 30th day after the last day for lodging applications under the Hong Kong Public Offering, to require our Company to issue up to 24,000,000 Shares by our Company, representing approximately 15.0% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering, to cover over-allocations in the International Offering, if any. In the event that the Over-allotment Option is exercised, a public announcement will be made.

### STABILISATION

Stabilisation is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilise, the underwriters may bid for, or purchase, the securities in the secondary market, during a specified period of time, to curb and, if possible, prevent any decline in the market price of the securities below the offer price. It may be effected in jurisdictions where it is permissible to do so and subject to all applicable laws and regulatory requirements. In Hong Kong, the price at which stabilisation is effected is not permitted to exceed the Offer Price.

In connection with the Global Offering, the Stabilising Manager or any person acting for it, on behalf of the Underwriters, may over-allocate or effect short sales or any other stabilising transactions with a view to stabilising or maintaining the market price of the Offer Shares at a level higher than that which might otherwise prevail in the open market. Short sales involve the sale by the Stabilising Manager of a greater number of Shares than the Underwriters are required to purchase in the Global Offering. "Covered" short sales are sales made in an amount not greater than the Over-allotment Option. The Stabilising Manager may close out the covered short position by either exercising the Over-allotment Option to purchase additional Offer Shares or purchasing Shares in the open market. In determining the source of the Offer Shares to close out the covered short position, the Stabilising Manager will consider, among other things, the price of Offer Shares in the open market as compared to the price at which they may purchase additional Offer Shares pursuant to the Over-allotment Option. Stabilising transactions consist of certain bids or purchases made for the purpose of preventing or curbing a decline in the market price of the Offer Shares while the Global Offering is in progress. However, there is no obligation on the Stabilising Manager or any person acting for it to conduct any such stabilising action. Such stabilising activity, if commenced, will be done at the absolute discretion of the Stabilising Manager and may be discontinued at any time.



## STRUCTURE OF THE GLOBAL OFFERING

Any such stabilising activity is required to be brought to an end within 30 days of the last day for the lodging of applications under the Hong Kong Public Offering. The number of the Offer Shares that may be over-allocated will not exceed the number of our Shares that may be sold under the Over-allotment Option, namely, 24,000,000 Offer Shares, which is 15.0% of the number of Offer Shares initially available under the Global Offering, and cover such over-allocations by exercising the Over-allotment Option or by making purchases in the secondary market at prices that do not exceed the Offer Price or through stock borrowing arrangements or a combination of these means.

In Hong Kong, stabilising activities must be carried out in accordance with the Securities and Futures (Price Stabilizing) Rules. Stabilising actions permitted pursuant to the Securities and Futures (Price Stabilizing) Rules include:

- (a) over-allocating for the purpose of preventing or minimising any reduction in the market price of our Shares;
- (b) selling or agreeing to sell our Shares so as to establish a short position in them for the purpose of preventing or minimising any reduction in the market price of our Shares;
- (c) purchasing or subscribing for, or agreeing to purchase or subscribe for, our Shares pursuant to the Over-allotment Option in order to close out any position established under (a) or (b) above;
- (d) purchasing, or agreeing to purchase, any of our Shares for the sole purpose of preventing or minimising any reduction in the market price;
- (e) selling or agreeing to sell any of our Shares in order to liquidate any position established as a result of those purchases; and
- (f) offering or attempting to do anything as described in (b), (c), (d) or (e) above.

Stabilising actions by the Stabilising Manager, or any person acting for it, will be entered into in accordance with the laws, rules and regulations in place in Hong Kong on stabilisation.

As a result of effecting transactions to stabilise or maintain the market price of our Shares, the Stabilising Manager, or any person acting for it, may maintain a long position in our Shares. The size of the long position, and the period for which the Stabilising Manager, or any person acting for it, will maintain the long position is at the discretion of the Stabilising Manager and is uncertain. In the event that the Stabilising Manager liquidates this long position by making sales in the open market, this may lead to a decline in the market price of our Shares.

Stabilising action by the Stabilising Manager, or any person acting for it, is not permitted to support the price of our Shares for longer than the stabilising period, which begins on the day on which trading of our Shares commences on the Hong Kong Stock Exchange and ends on the 30th day after the last day for the lodging of applications under



## STRUCTURE OF THE GLOBAL OFFERING

the Hong Kong Public Offering. As a result, demand for our Shares, and their market price, may fall after the end of the stabilising period. These activities by the Stabilising Manager may stabilise, maintain or otherwise affect the market price of our Shares. As a result, the price of our Shares may be higher than the price that otherwise may exist in the open market. Any stabilising action taken by the Stabilising Manager, or any person acting for it, may not necessarily result in the market price of our Shares staying at or above the Offer Price either during or after the stabilising period. Bids for or market purchases of our Shares by the Stabilising Manager, or any person acting for it, may be made at a price at or below the Offer Price and therefore at or below the price paid for our Shares by purchasers. A public announcement in compliance with the Securities and Futures (Price Stabilizing) Rules will be made within seven days of the expiration of the stabilising period.

### STOCK BORROWING ARRANGEMENT

In order to facilitate the settlement of over-allocations in connection with the Global Offering, the Stabilising Manager (or its affiliates or any person acting for it) may choose to borrow up to 24,000,000 Shares (being the maximum number of Shares which may be issued pursuant to the exercise of the Over-allotment Option) from Many Idea Liujianhui pursuant to the Stock Borrowing Agreement. The stock borrowing arrangements under the Stock Borrowing Agreement will comply with the requirements set out in Rule 10.07(3) of the Listing Rules.

The same number of Shares so borrowed must be returned to Many Idea Liujianhui or its nominees, as the case may be, on or before the third business day following the earlier of (a) the last day on which the Over-allotment Option may be exercised; (b) the day on which the Over-allotment Option is exercised in full; and (c) such earlier time as may be agreed between the Stabilising Manager and Many Idea Liujianhui. The Stock Borrowing Agreement will be effected in compliance with all applicable laws, rules and regulatory requirements. No payment will be made to Many Idea Liujianhui by the Stabilising Manager (or its affiliates or any person acting for it) in relation to such stock borrowing arrangement.

### PRICING AND ALLOCATION

#### *Determining the Offer Price*

The International Underwriters will be soliciting from prospective investors' indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building", is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

## STRUCTURE OF THE GLOBAL OFFERING

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be agreed on the Price Determination Date, which is expected to be on or about Wednesday, 2 November 2022 and in any event no later than Monday, 7 November 2022, by agreement between the Sole Representative (for itself and on behalf of the Underwriters) and our Company and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

### *Offer Price Range*

The Offer Price per Offer Share under the Hong Kong Public Offering will be identical to the Offer Price per Offer Share under the International Offering based on the Hong Kong dollar price per Offer Share, as determined by the Sole Representative (for itself and on behalf of the Underwriters) and our Company.

The Offer Price will not be more than HK\$2.38 per Offer Share and is expected to be not less than HK\$1.88 per Offer Share, unless otherwise announced, as further explained below. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range stated in this prospectus (subject to a Downward Offer Price Adjustment).

### *Price Payable on Application*

Applicants under the Hong Kong Public Offering are required to pay, on application, the maximum Offer Price of HK\$2.38 per each Hong Kong Offer Share (plus 1% brokerage, 0.0027% SFC transaction levy, 0.005% Hong Kong Stock Exchange trading fee and the AFRC transaction levy of 0.00015%). If the Offer Price is less than HK\$2.38, appropriate refund payments (including the brokerage, SFC transaction levy, the Hong Kong Stock Exchange trading fee and the AFRC transaction levy attributable to the surplus application monies, without any interest) will be made to successful applications.

If, for any reason, our Company and the Sole Representative (for itself and on behalf of the Underwriters) are unable to reach agreement on the Offer Price on or before Monday, 7 November 2022, the Global Offering will not proceed and will lapse.

### *Reduction in Indicative Offer Price Range and/or Number of Offer Shares*

The Sole Representative (for itself and on behalf of the Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective professional and institutional investors during the book-building process, and with the consent of our Company, reduce the number of Offer Shares and/or the indicative Offer Price range as stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and our Company at [www.manyidea.cloud](http://www.manyidea.cloud), notices of the reduction. Upon issue of such a notice, the revised number of Offer Shares and/or indicative Offer Price range will be final and conclusive and the Offer Price, if agreed

## STRUCTURE OF THE GLOBAL OFFERING

upon by the Sole Representative, for itself and on behalf of the Underwriters, and our Company, will be fixed within such a revised Offer Price range. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in the prospectus and any other financial information which may change materially as a result of such reduction.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the indicative Offer Price range may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. In the absence of any such notice so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon by the Sole Representative, for itself and on behalf of the Underwriters, and our Company, will under no circumstances be set outside the Offer Price range as stated in this prospectus. However, if the number of Offer Shares and/or the Offer Price range is reduced, applicants under the Hong Kong Public Offering will be entitled to withdraw their applications unless positive confirmations from the applicants to proceed are received.

In the event of a reduction in the number of Offer Shares, the Sole Representative (for itself and on behalf of the Underwriters) may, at its discretion, reallocate the number of Offer Shares to be offered in the Hong Kong Public Offering and the International Offering, provided that the number of Offer Shares comprised in the Hong Kong Public Offering shall not be less than 10% of the total number of Offer Shares available under the Global Offering. The Offer Shares to be offered in the Hong Kong Public Offering and the Offer Shares to be offered in the International Offering may, in certain circumstances, be reallocated between these offerings at the discretion of the Sole Representative (for itself and on behalf of the Underwriters).

### *Announcement of Offer Price Reduction*

The Sole Representative (for itself and on behalf of the Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective investors during the book-building process, and with the consent of our Company, determine the final Offer Price to be no more than 10% below the low-end of the indicative Offer Price range, at any time on or prior to the Price Determination Date.

In such situation, our Company will, as soon as practicable following the decision to set the final Offer Price below the low-end of the indicative Offer Price range, publish on the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and our Company's website ([www.manyidea.cloud](http://www.manyidea.cloud)) an announcement of the final Offer Price after making a Downward Offer Price Adjustment. Such announcement will be issued before and separate from the announcement of the results of allocations expected to be announced on Tuesday, 8 November 2022. The Offer Price announced following making of a Downward Offer Price Adjustment shall be the final Offer Price and shall not be subsequently changed.

In the absence of an announcement that a Downward Offer Price Adjustment has been made, the final Offer Price will not be outside the indicative Offer Price range as disclosed in this prospectus unless the Withdrawal Mechanism is utilised.

## STRUCTURE OF THE GLOBAL OFFERING

### *Announcement of Offer Price and Basis of Allocations*

Irrespective of whether a Downward Offer Price Adjustment is made, the final Offer Price, the level of indications of interest in the Global Offering, the results of allocations and the basis of allotment of the Hong Kong Offer Shares are expected to be announced on Tuesday, 8 November 2022 on the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of our Company at [www.manyidea.cloud](http://www.manyidea.cloud).

### UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is subject to our Company and the Sole Representative, for itself and on behalf of the Underwriters, agreeing on the Offer Price.

We expect to enter into the International Underwriting Agreement relating to the International Offering on the Price Determination Date.

These underwriting arrangements, and the Hong Kong Underwriting Agreement and the International Underwriting Agreement, are summarised in the section headed “Underwriting” in this prospectus.

### CONDITIONS OF THE HONG KONG PUBLIC OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

- (a) the Hong Kong Stock Exchange granting approval for the listing of, and permission to deal in, our Shares in issue and to be issued pursuant to the Global Offering (including any Shares that may be issued under the Over-allotment Option, any Shares which may be issued upon the exercise of options granted or to be granted under the Share Option Scheme and any Shares which may be issued upon the conversion of Shares pursuant to the Pre-HKIPO Loans), and such listing and permission not subsequently having been revoked prior to the commencement of dealings in our Shares on the Hong Kong Stock Exchange;
- (b) the Offer Price having been duly agreed between our Company and the Sole Representative (for itself and on behalf of the Underwriters);
- (c) the execution and delivery of the International Underwriting Agreement on or about the Price Determination Date;
- (d) the warranties as defined in the Underwriting Agreements being true, accurate, complete and not misleading and not being breached on and as at the date of the Underwriting Agreements and the dates and times on which they are deemed to be repeated under the Underwriting Agreements; and

## STRUCTURE OF THE GLOBAL OFFERING

- (e) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements in each case on or before the dates and times specified in the Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times).

If, for any reason, the Offer Price is not agreed between our Company and the Sole Representative (for itself and on behalf of the Underwriters) on or before Monday, 7 November 2022, the Global Offering will not proceed and will lapse immediately.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with their respective terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Hong Kong Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by our Company on the websites of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and our Company at [www.manyidea.cloud](http://www.manyidea.cloud) on the next Business Day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in the section headed “How to Apply for Hong Kong Offer Shares — 14. Dispatch/Collection of Share Certificates and Refund Monies” in this prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

Share certificates for the Offer Shares will only become valid evidence of title at 8:00 a.m. on the Listing Date provided that (i) the Global Offering has become unconditional in all respects, and (ii) the right of termination as described in the section headed “Underwriting — Underwriting Arrangements — Hong Kong Public Offering — Grounds for Termination” in this prospectus has not been exercised.

### APPLICATION FOR LISTING ON THE HONG KONG STOCK EXCHANGE

We have applied to the Hong Kong Stock Exchange for the listing of, and permission to deal in, our Shares in issue and to be issued pursuant to the Global Offering (including any Shares to be converted under the Pre-HKIPO Loans and any Shares that may be issued under the Over-allotment Option and any Shares which may be issued upon the exercise of options granted or to be granted under the Share Option Scheme).

No part of our Company’s share or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to deal is being or proposed to be sought in the near future.

## STRUCTURE OF THE GLOBAL OFFERING

### SHARES WILL BE ELIGIBLE FOR CCASS

All necessary arrangements have been made enabling our Shares to be admitted into the CCASS, established and operated by the HKSCC.

If the Hong Kong Stock Exchange grants the listing of, and permission to deal in, our Shares and we comply with the stock admission requirements of HKSCC, our Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

### DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Wednesday, 9 November 2022, it is expected that dealings in our Shares on the Hong Kong Stock Exchange will commence at 9:00 a.m. on Wednesday, 9 November 2022. Our Shares will be traded in board lots of 2,000 Shares. The stock code of our Shares will be 6696.

## HOW TO APPLY FOR HONG KONG OFFER SHARES

### IMPORTANT NOTICE TO INVESTORS: FULLY ELECTRONIC APPLICATION PROCESS

**We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide any printed copies of this prospectus or any printed copies of any application forms for use by the public.**

This prospectus is available at the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) under the “HKEXnews > New Listings > New Listing Information” section, and our website at [www.manyidea.cloud](http://www.manyidea.cloud). If you require a printed copy of this prospectus, you may download and print from the website addresses above.

The contents of the electronic version of the prospectus are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Set out below are procedures through which you can apply for the Hong Kong Offer Shares electronically. We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public.

If you are an intermediary, broker or agent, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses above.

#### 1. HOW TO APPLY

**We will not provide any printed application forms for use by the public.**

If you apply for Hong Kong Offer Shares, then you may not apply for or indicate an interest for International Offer Shares.

To apply for Hong Kong Offer Shares, you may:

- (1) apply online via the **White Form eIPO** service at [www.eipo.com.hk](http://www.eipo.com.hk); or
- (2) apply through **CCASS EIPO** service to electronically cause HKSCC Nominees to apply on your behalf, including by:
  - (i) instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf; or



## HOW TO APPLY FOR HONG KONG OFFER SHARES

- (ii) (if you are an existing CCASS Investor Participant) giving **electronic application instructions** through the CCASS Internet System (<https://ip.ccass.com>) or through the CCASS Phone System by calling +852 2979 7888 (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). HKSCC can also input **electronic application instructions** for CCASS Investor Participants through HKSCC's Customer Service Centre at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong by completing an input request.

If you apply through channel (1) above, the Hong Kong Offer Shares successfully applied for will be issued in your own name.

If you apply through channels (2)(i) or (2)(ii) above and have electronically instructed HKSCC via CCASS to cause HKSCC Nominees to apply for you, the Hong Kong Offer Shares successfully applied for will be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

Our Company, the Sole Representative, the **White Form eIPO** Service Provider and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

## 2. WHO CAN APPLY

### Eligibility for the Application

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act); and
- are not a legal or natural person of the PRC (except qualified domestic institutional investors).

## HOW TO APPLY FOR HONG KONG OFFER SHARES

If an application is made by a person under a power of attorney, the Sole Representative may accept it at its discretion and on any conditions it thinks fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four and they may not apply by means of **White Form eIPO** service for the Hong Kong Offer Shares.

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Offer Shares if you are:

- an existing beneficial owner of shares in our Company and/or any its subsidiaries;
- a director or chief executive officer of our Company and/or any of its subsidiaries;
- a close associate (as defined in the Listing Rules) of any of the above; a core connected person (as defined in the Listing Rules) of our Company or will become a core connected person of our Company immediately upon completion of the Global offering; or
- have been allocated or have applied for any International Offer Shares or otherwise participate in the International Offering.

### Items Required for the Application

If you apply for the Hong Kong Offer Shares online through the **White Form eIPO** service, you must:

- (a) have a valid Hong Kong identity card number; and
- (b) provide a valid e-mail address and a contact telephone number.

If you are a firm, the application must be in the individual members' names. If you are applying for the Hong Kong Offer Shares online by instructing your **broker** or **custodian** who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals, please contact them for the items required for the application.

### 3. TERMS AND CONDITIONS OF AN APPLICATION

By applying through the application channels specified in this prospectus, you:

- (i) undertake to execute all relevant documents and instruct and authorise our Company and/or the Sole Representative (or its agents or nominees), as agents of our Company, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association;

## HOW TO APPLY FOR HONG KONG OFFER SHARES

- (ii) agree to comply with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Cayman Companies Act and the Articles of Association;
- (iii) confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;
- (iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;
- (v) confirm that you are aware of the restrictions on the Global Offering in this prospectus;
- (vi) agree that none of our Company, the Sole Sponsor, the Sole Representative, the Joint Global Coordinators, the Underwriters, the **White Form eIPO** Service Provider, their respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering is or will be liable for any information and representations not in this prospectus (and any supplement to it);
- (vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering nor participated in the International Offering;
- (viii) agree to disclose to our Company, the Hong Kong Share Registrar, the receiving banks, the Sole Representative, the Joint Global Coordinators, the Underwriters and/or their respective advisors and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;
- (ix) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and none of our Company, the Sole Representative, the Joint Global Coordinators and the Underwriters nor any of their respective officers or advisors will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;
- (x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;
- (xi) agree that your application will be governed by the laws of Hong Kong;

## HOW TO APPLY FOR HONG KONG OFFER SHARES

- (xii) represent, warrant and undertake that (i) you understand that the Hong Kong Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Hong Kong Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;
- (xiii) warrant that the information you have provided is true and accurate;
- (xiv) agree to accept the Hong Kong Offer Shares applied for, or any lesser number allocated to you under the application;
- (xv) authorise our Company to place your name(s) or the name of the HKSCC Nominees, on our Company's register of members as the holder(s) of any Hong Kong Offer Shares allocated to you, and our Company and/or its agents to send any share certificate(s) and/or any e-Refund payment instructions and/or any refund cheque(s) to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you are eligible to collect the share certificate(s) and/or refund cheque(s) in person;
- (xvi) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xvii) understand that our Company, the Sole Sponsor and the Sole Representative will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;
- (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC or to the **White Form eIPO** Service Provider by you or by any one as your agent or by any other person; and
- (xix) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving **electronic application instructions** to HKSCC; and (ii) you have due authority to give **electronic application instructions** on behalf of that other person as their agent.

For the avoidance of doubt, our Company and all other parties involved in the preparation of this document acknowledge that each applicant and CCASS Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

## HOW TO APPLY FOR HONG KONG OFFER SHARES

### 4. MINIMUM APPLICATION AMOUNT AND PERMITTED NUMBERS

Your application through **White Form eIPO** service or the **CCASS EIPO** service must be for a minimum of 2,000 Hong Kong Offer Shares and in one of the numbers set out in the table below. You are required to pay the amount next to the number you select.

**Many Idea Cloud Holdings Limited**  
(Stock Code 6696)  
(HK\$2.38 per Hong Kong Offer Share)

#### NUMBER OF HONG KONG OFFER SHARES THAT MAY BE APPLIED FOR AND PAYMENTS

No. of Hong Kong Offer Shares applied for	Amount payable on application HK\$	No. of Hong Kong Offer Shares applied for	Amount payable on application HK\$	No. of Hong Kong Offer Shares applied for	Amount payable on application HK\$	No. of Hong Kong Offer Shares applied for	Amount payable on application HK\$
2,000	4,807.98	50,000	120,199.34	800,000	1,923,189.47	6,000,000	14,423,920.98
4,000	9,615.95	60,000	144,239.21	900,000	2,163,588.14	6,500,000	15,625,914.40
6,000	14,423.92	70,000	168,279.08	1,000,000	2,403,986.83	7,000,000	16,827,907.81
8,000	19,231.89	80,000	192,318.95	1,500,000	3,605,980.25	8,000,000 <sup>(1)</sup>	19,231,894.64
10,000	24,039.87	90,000	216,358.81	2,000,000	4,807,973.66		
12,000	28,847.84	100,000	240,398.69	2,500,000	6,009,967.08		
14,000	33,655.82	200,000	480,797.36	3,000,000	7,211,960.49		
16,000	38,463.79	300,000	721,196.05	3,500,000	8,413,953.91		
18,000	43,271.76	400,000	961,594.73	4,000,000	9,615,947.32		
20,000	48,079.74	500,000	1,201,993.42	4,500,000	10,817,940.74		
30,000	72,119.61	600,000	1,442,392.10	5,000,000	12,019,934.15		
40,000	96,159.47	700,000	1,682,790.78	5,500,000	13,221,927.57		

(1) Maximum number of Hong Kong Offer Shares you may apply for.

No application for any other number of the Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

### 5. APPLYING THROUGH THE WHITE FORM eIPO SERVICE

#### General

Individuals who meet the criteria set out in the paragraph headed “— 2. Who Can Apply” in this section of this prospectus, may apply through the **White Form eIPO** service for the Offer Shares to be allotted and registered in their own names through the designated website at [www.eipo.com.hk](http://www.eipo.com.hk).

## HOW TO APPLY FOR HONG KONG OFFER SHARES

Detailed instructions for application through the **White Form eIPO** service are on the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to our Company. If you apply through the designated website, you authorise the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

### **Time for Submitting Applications under the White Form eIPO**

You may submit your application to the **White Form eIPO** Service Provider at [www.eipo.com.hk](http://www.eipo.com.hk) (24 hours daily, except on the last application day) from 9:00 a.m. on Friday, 28 October 2022 until 11:30 a.m. on Wednesday, 2 November 2022 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Wednesday, 2 November 2022 or such later time under the paragraph headed “— 10. Effect of Bad Weather on the Opening and Closing of the Application Lists” in this section of this prospectus.

### **No Multiple Applications**

If you apply by means of **White Form eIPO**, once you complete payment in respect of any **electronic application instruction** given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an **electronic application instruction** under **White Form eIPO** more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through the **White Form eIPO** service or by any other means, all of your applications are liable to be rejected.

### **Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance**

For the avoidance of doubt, the Company and all other parties involved in the preparation of this document acknowledge that each applicant who gives or causes to give electronic application instructions is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

### **Commitment to Sustainability**

The obvious advantage of **White Form eIPO** service is to save the use of paper via the self-serviced and electronic application process. Computershare Hong Kong Investor Services Limited, being the designated **White Form eIPO** Service Provider, will contribute HK\$2 for each “Many Idea Cloud Holdings Limited” **White Form eIPO** application submitted via [www.eipo.com.hk](http://www.eipo.com.hk) to support sustainability.

## **6. APPLYING THROUGH CCASS EIPO SERVICE**

### **General**

You may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf. CCASS Participants may give **electronic application instructions** to apply for the Hong Kong Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a **CCASS Investor Participant**, you may give these **electronic application instructions** through the CCASS Internet System (<https://ip.ccass.com>) or through the CCASS Phone System by calling +852 2979 7888 (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). HKSCC can also input **electronic application instructions** for CCASS Investor Participants through HKSCC's Customer Service Centre at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong if you complete an input request.

If you are not a CCASS Investor Participant, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give electronic application instructions via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf.

You will be deemed to have authorised HKSCC and/or HKSCC Nominees to transfer the details of your application to our Company, the Sole Representative and our Hong Kong Share Registrar.

### **Applying through CCASS EIPO service**

Where you have given electronic application instructions to apply for the Hong Kong Offer Shares (either indirectly through a broker or custodian or directly) and an application is made by HKSCC Nominees on your behalf:

- (i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of this prospectus;
- (ii) HKSCC Nominees will do the following things on your behalf:
  - agree that the Hong Kong Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;



## HOW TO APPLY FOR HONG KONG OFFER SHARES

- agree to accept the Hong Kong Offer Shares applied for or any lesser number allocated;
- undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering;
- (if the **electronic application instructions** are given for your benefit) declare that only one set of **electronic application instructions** has been given for your benefit;
- (if you are an agent for another person) declare that you have only given one set of **electronic application instructions** for the other person's benefit and are duly authorised to give those instructions as their agent;
- confirm that you understand that our Company, our Directors and the Sole Representative will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted if you make a false declaration;
- authorise our Company to place HKSCC Nominees' name on our Company's register of members as the holder of the Hong Kong Offer Shares allocated to you and to send share certificate(s) and/or refund monies under the arrangements separately agreed between us and HKSCC;
- confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;
- confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;
- agree that none of our Company, the Sole Sponsor, the Sole Representative, the Joint Global Coordinators, the Underwriters, their respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);

## HOW TO APPLY FOR HONG KONG OFFER SHARES

- agree to disclose your personal data to our Company, the Hong Kong Share Registrar, the receiving banks, the Sole Representative, the Joint Global Coordinators, the Underwriters and/or their respective advisors and agents;
- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;
- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with us and to become binding when you give the instructions and such collateral contract to be in consideration of our Company agreeing that it will not offer any Hong Kong Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;
- agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by our Company's announcement of the Hong Kong Public Offering results;
- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for the giving **electronic application instructions** to apply for Hong Kong Offer Shares;

## HOW TO APPLY FOR HONG KONG OFFER SHARES

- agree with our Company, for itself and for the benefit of each Shareholder (and so that our Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Articles of Association; and
- agree that your application, any acceptance of it and the resulting contract will be governed by the Laws of Hong Kong.

### Effect of Applying through CCASS EIPO service

By applying through **CCASS EIPO** service, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to our Company or any other person in respect of the things mentioned below:

- instructed and authorised HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Hong Kong Offer Shares on your behalf;
- instructed and authorised HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy, the Hong Kong Stock Exchange trading fee and AFRC transaction levy by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the maximum Offer Price per Offer Share initially paid on application, refund of the application monies (including brokerage, SFC transaction levy, the Hong Kong Stock Exchange trading fee and AFRC transaction levy) by crediting your designated bank account; and
- instructed and authorised HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in this prospectus.

### Time for Inputting Electronic Application Instructions<sup>(1)</sup>

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

Friday, 28 October 2022	—	9:00 a.m. to 8:30 p.m.
Monday, 31 October 2022	—	8:00 a.m. to 8:30 p.m.
Tuesday, 1 November 2022	—	8:00 a.m. to 8:30 p.m.
Wednesday, 2 November 2022	—	8:00 a.m. to 12:00 noon

## HOW TO APPLY FOR HONG KONG OFFER SHARES

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Friday, 28 October 2022 until 12:00 noon on Wednesday, 2 November 2022 (24 hours daily, except on Wednesday, 2 November 2022, the last application day).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Wednesday, 2 November 2022, the last application day or such later time as described in the paragraph headed “— 10. Effect of Bad Weather on the Opening and Closing of the Application Lists” in this section of this prospectus.

If you are instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf, you are advised to contact your broker or custodian for the latest time for giving such instructions which may be different from the latest time as stated above.

*Note:*

- (1) The times in this sub-section are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants and/or CCASS Investor Participants.

### **Personal Data**

The following Personal Information Collection Statement applies to any personal data held by our Company, the Hong Kong Share Registrar, the receiving banks, the Sole Representative, the Joint Global Coordinators, the Underwriters and any of their respective advisors and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. By applying through **CCASS EIPO** service, you agree to all of the terms of the Personal Information Collection Statement below.

#### ***Personal Information Collection Statement***

This Personal Information Collection Statement informs applicant for, and holder of, the Hong Kong Offer Shares, of the policies and practices of our Company and its Hong Kong Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

#### ***Reasons for the collection of your personal data***

It is necessary for applicants and registered holders of the Hong Kong Offer Shares to supply correct personal data to our Company or its agents and the Hong Kong Share Registrar when applying for the Hong Kong Offer Shares or transferring the Hong Kong Offer Shares into or out of their names or in procuring the services of the Hong Kong Share Registrar.

## HOW TO APPLY FOR HONG KONG OFFER SHARES

Failure to supply the requested data may result in your application for the Hong Kong Offer Shares being rejected, or in delay or the inability of our Company or its Hong Kong Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of the Hong Kong Offer Shares which you have successfully applied for and/or the dispatch of share certificate(s) to which you are entitled.

It is important that the holders of the Hong Kong Offer Shares inform our Company and the Hong Kong Share Registrar immediately of any inaccuracies in the personal data supplied.

### *Purposes*

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque, where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of the Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of our Shares including, where applicable, HKSCC Nominees;
- maintaining or updating our Company's Register of Members;
- verifying identities of the holders of our Shares;
- establishing benefit entitlements of holders of our Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from our Company and its subsidiaries;
- compiling statistical information and profiles of the holder of our Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable our Company and the Hong Kong Share Registrar to discharge their obligations to holders of our Shares and/or regulators and/or any other purposes to which the securities' holders may from time to time agree.

## HOW TO APPLY FOR HONG KONG OFFER SHARES

### *Transfer of personal data*

Personal data held by our Company and its Hong Kong Share Registrar relating to the holders of the Hong Kong Offer Shares will be kept confidential but our Company and its Hong Kong Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- our Company's appointed agents such as financial advisers, receiving banks and overseas principal share registrar;
- where applicants for the Hong Kong Offer Shares request a deposit into CCASS, HKSCC or HKSCC Nominees, who will use the personal data for the purposes of operating CCASS; any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to our Company or the Hong Kong Share Registrar in connection with their respective business operation;
- the Hong Kong Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations; and
- any persons or institutions with which the holders of the Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or stockbrokers, etc.

### *Retention of personal data*

Our Company and its Hong Kong Share Registrar will keep the personal data of the applicants and holders of the Hong Kong Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance.

### *Access to and correction of personal data*

Holders of the Hong Kong Offer Shares have the right to ascertain whether our Company or the Hong Kong Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. Our Company and the Hong Kong Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to our Company, at our Company's registered address disclosed in the section headed "Corporate Information" in this prospectus or as notified from time to time, for the attention of the secretary, or the Hong Kong Share Registrar for the attention of the privacy compliance officer.

## HOW TO APPLY FOR HONG KONG OFFER SHARES

### 7. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for Hong Kong Offer Shares through the **White Form eIPO** service is also only a facility provided by the **White Form eIPO** Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. Our Company, our Directors, the Sole Sponsor, the Sole Representative, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the **White Form eIPO** service will be allotted any Hong Kong Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CCASS Internet System for submission of **electronic application instructions**, they should go to HKSCC's Customer Service Centre to complete an input request form for **electronic application instructions** before 12:00 noon on Wednesday, 2 November 2022, the last day for applications, or such later time as described in the paragraph headed "— 10. Effect of Bad Weather on the Opening and Closing of the Application Lists" in this section of this prospectus.

### 8. HOW MANY APPLICATIONS CAN YOU MAKE

Multiple applications for the Hong Kong Offer Shares are not allowed except by nominees.

All of your applications will be rejected if more than one application through the **CCASS eIPO** service (directly or indirectly through your **broker** or **custodian**) or through the **White Form eIPO** service is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**), and the number of Hong Kong Offer Shares applied by HKSCC Nominees will be automatically reduced by the number of Hong Kong Offer Shares for which you have given such instructions and/or for which such instructions have been given for your behalf.

For the avoidance of doubt, giving an electronic application instruction under the **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application. However, any **electronic application instructions** to make an application for the Hong Kong Offer Shares given by you or for your benefit to HKSCC will be deemed to be an actual application for the purposes of considering whether multiple applications have been made.



## HOW TO APPLY FOR HONG KONG OFFER SHARES

If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being for your benefit.

“**Unlisted company**” means a company with no equity securities listed on the Hong Kong Stock Exchange.

“**Statutory control**” means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

### 9. HOW MUCH ARE THE HONG KONG OFFER SHARES

The maximum Offer Price is HK\$2.38 per Offer Share. You must also pay brokerage of 1.0%, SFC transaction levy of 0.0027%, Hong Kong Stock Exchange trading fee of 0.005% and the AFRC transaction levy of 0.00015%. This means that for one board lot of 2,000 Hong Kong Offer Shares, you will pay HK\$4,807.98.

You must pay the maximum Offer Price, brokerage, SFC transaction levy, the Hong Kong Stock Exchange trading fee and the AFRC transaction levy in full upon application for the Hong Kong Offer Shares.

You may submit an application through the **White Form eIPO** service or the **CCASS EIPO** service in respect of a minimum of 2,000 Hong Kong Offer Shares. Each application or **electronic application instruction** in respect of more than 2,000 Hong Kong Offer Shares must be in one of the numbers set out in the table in the paragraph headed “— 4. Minimum Application Amount and Permitted Numbers” in this section of this prospectus, or as otherwise specified on the designated website at [www.eipo.com.hk](http://www.eipo.com.hk).

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy, the Hong Kong Stock Exchange trading fee and the AFRC transaction levy are paid to the Hong Kong Stock Exchange (in the case of the SFC transaction levy and AFRC transaction levy, collected by the Hong Kong Stock Exchange on behalf of the SFC and the AFRC respectively).

For further details on the Offer Price, please see the section headed “Structure of the Global Offering — Pricing and Allocation” in this prospectus.

## HOW TO APPLY FOR HONG KONG OFFER SHARES

### 10. EFFECT OF BAD WEATHER ON THE OPENING AND CLOSING OF THE APPLICATION LISTS

The application lists will not open if there is/are:

- a tropical cyclone warning signal number 8 or above;
- a “black” rainstorm warning; and/or
- Extreme Conditions,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, 2 November 2022. Instead they will open between 11:45 a.m. and 12:00 noon on the next Business Day which does not have either of those warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Wednesday, 2 November 2022 or if there is/are a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal and/or Extreme Conditions in force in Hong Kong that may affect the dates mentioned in the section headed “Expected Timetable” in this prospectus, an announcement will be made on our website at [www.manyidea.cloud](http://www.manyidea.cloud) and the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

### 11. PUBLICATION OF RESULTS

Our Company expects to announce the final Offer Price, the level of indication of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares on Tuesday, 8 November 2022 on our Company’s website at [www.manyidea.cloud](http://www.manyidea.cloud) and the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration/certificate of incorporation numbers of successful applicants under the Hong Kong Public Offering will be available at the times and date and in the manner specified below:

- in the announcement to be posted on our Company’s website at [www.manyidea.cloud](http://www.manyidea.cloud) and the Hong Kong Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) by no later than 9:00 a.m. on Tuesday, 8 November 2022;
- from the designated results of allocations website at [www.iporeresults.com.hk](http://www.iporeresults.com.hk) (alternatively: English <https://www.eipo.com.hk/en/Allotment>; Chinese <https://www.eipo.com.hk/zh-hk/Allotment>) with a “search by ID” function on a 24-hour basis from 8:00 a.m. on Tuesday, 8 November 2022 to 12:00 midnight on Monday, 14 November 2022; and

## HOW TO APPLY FOR HONG KONG OFFER SHARES

- from the allocation results telephone enquiry line by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. on Tuesday, 8 November 2022, Wednesday, 9 November 2022, Thursday, 10 November 2022 and Friday, 11 November 2022.

If our Company accepts your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Hong Kong Offer Shares if the conditions of the Global Offering are satisfied and the Global Offering is not otherwise terminated. Further details are contained in the section headed "Structure of the Global Offering" in this prospectus.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

### 12. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which the Hong Kong Offer Shares will not be allotted to you:

**(i) If your application is revoked:**

By applying through the **CCASS EIPO** service or through the **White Form eIPO** Service Provider, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with our Company.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before the fifth day after the time of the opening of the application lists (excluding any days which is a Saturday, Sunday or public holiday in Hong Kong) in the following circumstances:

- (a) if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section on or before the fifth day after the time of the opening of the application lists (excluding any days which is a Saturday, Sunday or public holiday in Hong Kong) which excludes or limits that person's responsibility for this prospectus; or

## HOW TO APPLY FOR HONG KONG OFFER SHARES

- (b) if any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

**(ii) If our Company or its agents exercise their discretion to reject your application:**

Our Company, the Sole Representative, the **White Form eIPO Service** Provider and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

**(iii) If the allotment of Hong Kong Offer Shares is void:**

The allotment of Hong Kong Offer Shares will be void if the Listing Committee of the Hong Kong Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Committee of the Hong Kong Stock Exchange notifies the Company of that longer period within three weeks of the closing date of the application lists.

**(iv) If:**

- you make multiple applications or suspected multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Hong Kong Offer Shares and International Offer Shares;
- your **electronic application instructions** through the **White Form eIPO** service are not completed in accordance with the instructions, terms and conditions on the designated website at [www.eipo.com.hk](http://www.eipo.com.hk);
- your payment is not made correctly;

## HOW TO APPLY FOR HONG KONG OFFER SHARES

- the Underwriting Agreements do not become unconditional or are terminated;
- our Company or the Sole Representative believes that by accepting your application, it would violate applicable securities or other laws, rules or regulations; or
- your application is for more than 50% of the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering.

### 13. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum Offer Price per Offer Share (excluding brokerage, SFC transaction levy, the Hong Kong Stock Exchange trading fee and the AFRC transaction levy thereon), or if the conditions of the Hong Kong Public Offering are not fulfilled in accordance with the section headed “Structure of the Global Offering — Conditions of the Hong Kong Public Offering” in this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy, the Hong Kong Stock Exchange trading fee and the AFRC transaction levy, will be refunded, without interest.

Any refund of your application monies will be made on or before Tuesday, 8 November 2022.

### 14. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the CCASS EIPO service where the share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of our Shares. No receipt will be issued for sums paid on application.

Subject to arrangement on dispatch/collection of share certificates and refund monies as mentioned below, any refund cheques and share certificates are expected to be posted on or before Tuesday, 8 November 2022. The right is reserved to retain any share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker’s cashier’s order(s).

Share certificates will only become valid at 8:00 a.m. on Wednesday, 9 November 2022, provided that the Global Offering has become unconditional and the right of termination described in the section headed “Underwriting” in this prospectus has not been exercised. Investors who trade shares prior to the receipt of share certificates or the share certificates becoming valid do so at their own risk.

## HOW TO APPLY FOR HONG KONG OFFER SHARES

### Personal Collection

#### *(i) If you apply through the White Form eIPO service*

If you apply for 1,000,000 Hong Kong Offer Shares or more and your application is wholly or partially successful, you may collect your share certificate(s) and/or refund cheque (where applicable) from Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Tuesday, 8 November 2022, or such other date as notified by our Company in the newspapers as the date of despatch/collection of share certificates/e-Refund payment instructions/refund cheques.

If you do not collect your share certificate(s) and/or refund cheque (where applicable) personally within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post at your own risk.

If you apply for less than 1,000,000 Hong Kong Offer Shares, your share certificate(s) and/or refund cheque (where applicable) will be sent to the address specified in your application instructions on or before Tuesday, 8 November 2022 by ordinary post at your own risk.

If you apply and pay the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be despatched to the address as specified in your application instructions in the form of refund cheque(s) by ordinary post at your own risk.

#### *(ii) If you apply through CCASS EIPO service*

##### *Allocation of Hong Kong Offer Shares*

- For the purposes of allocating Hong Kong Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit instructions are given will be treated as an applicant.

##### *Deposit of Share Certificates into CCASS and Refund of Application Monies*

- If your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Tuesday, 8 November 2022, or, on any other date determined by HKSCC or HKSCC Nominees.

## HOW TO APPLY FOR HONG KONG OFFER SHARES

- Our Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, our Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Hong Kong Public Offering in the manner specified in the paragraph headed “— 11. Publication of Results” in this section of this prospectus on Tuesday, 8 November 2022. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Tuesday, 8 November 2022 or such other date as determined by HKSCC or HKSCC Nominees.
- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.
- If you have applied as a CCASS Investor Participant, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC’s “An Operating Guide for Investor Participants” in effect from time to time) on Tuesday, 8 November 2022. Immediately following the credit of the Hong Kong Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Hong Kong Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.
- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy, the Hong Kong Stock Exchange trading fee and the AFRC transaction levy but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Tuesday, 8 November 2022.



## HOW TO APPLY FOR HONG KONG OFFER SHARES

### 15. ADMISSION OF THE SHARES INTO CCASS

If the Hong Kong Stock Exchange grants the listing of, and permission to deal in, our Shares on the Hong Kong Stock Exchange and we comply with the stock admission requirements of HKSCC, our Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional advisor for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling our Shares to be admitted into CCASS.

## ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION



Tel : +852 2218 8288  
Fax: +852 2815 2239  
www.bdo.com.hk

25<sup>th</sup> Floor Wing On Centre  
111 Connaught Road Central  
Hong Kong

電話 : +852 2218 8288  
傳真 : +852 2815 2239  
www.bdo.com.hk

香港干諾道中111號  
永安中心25樓

**TO THE DIRECTORS OF MANY IDEA CLOUD HOLDINGS LIMITED (FORMERLY KNOWN AS MANY IDEA CLOUD TECHNOLOGY HOLDINGS LIMITED) AND ZHONGTAI INTERNATIONAL CAPITAL LIMITED**

**Introduction**

We report on historical financial information of Many Idea Cloud Holdings Limited (formerly known as Many Idea Cloud Technology Holdings Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) set out on pages I-4 to I-78, which comprises the consolidated statements of financial position as at 31 December 2019, 2020, 2021 and 30 April 2022, and the statements of the financial position of the Company as at 31 December 2021 and 30 April 2022, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2019, 2020, 2021 and for the four months ended 30 April 2022 (the “**Track Record Period**”) and a summary of significant accounting policies and other explanatory information (together the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-4 to I-78 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 28 October 2022 (the “**Prospectus**”) in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

**Directors’ responsibility for the Historical Financial Information**

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Notes 1(c) and 2 to the Historical Financial Information, respectively and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

**Reporting accountants’ responsibility**

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circulars Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Notes 1(c) and 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Company's financial position as at 31 December 2021 and 30 April 2022, the Group's financial position as at 31 December 2019, 2020, 2021 and 30 April 2022, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of presentation and preparation set out in Notes 1(c) and 2 to the Historical Financial Information, respectively.

### **Review of stub period comparative financial information**

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statements of change in equity and the consolidated statements of cash flow for the four months ended 30 April 2021 and other explanatory information (the "**Stub Period Comparative Financial Information**"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the basis of presentation and preparation set out in Notes 1(c) and 2 to the Historical Financial Information, respectively. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that Stub Period Comparative Financial Information, for the purposes of the accountant's report, is not prepared, in all material respects, in accordance with the basis of presentation and preparation set out in Notes 1(c) and 2 to the Historical Financial Information, respectively.

**Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance**

*Adjustments*

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

*Dividends*

We refer to Note 16 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

*No financial statements for the Company*

No financial statements have been prepared for the Company since its date of incorporation.

**BDO Limited**

*Certified Public Accountants*

**Chow Tak Sing, Peter**

Practising Certificate Number P04659

Hong Kong

28 October 2022

**HISTORICAL FINANCIAL INFORMATION OF THE GROUP****Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by BDO Limited in accordance with Hong Kong Standards on Auditing issued by HKICPA ("**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

## I. HISTORICAL FINANCIAL INFORMATION OF THE GROUP

## 1. Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Notes	Year ended 31 December			Four months ended 30 April	
		2019 RMB'000	2020 RMB'000	2021 RMB'000	2021 RMB'000	2022 RMB'000
Revenue	7	391,038	308,377	353,300	70,219	143,807
Cost of revenue		(261,691)	(233,735)	(238,764)	(50,002)	(97,714)
Gross profit		129,347	74,642	114,536	20,217	46,093
Other revenue	8	6,374	6,574	8,505	3,075	1,754
Other gains and losses	9	-	-	1,409	-	(2,717)
Selling and marketing expenses		(16,022)	(15,389)	(9,969)	(3,215)	(2,260)
Administrative expenses		(16,869)	(16,313)	(16,913)	(4,676)	(6,152)
Provision for impairment loss on trade receivables, net		(3,667)	(11,480)	(5,758)	(7,839)	(8,774)
Fair value changes of convertible bond — conversion option derivative		-	-	-	-	759
Finance costs	10	(568)	(1,090)	(3,787)	(1,522)	(4,210)
Listing expenses		-	-	(8,655)	-	(5,404)
Profit before income tax expense	11	98,595	36,944	79,368	6,040	19,089
Income tax expense	15	(18,571)	(5,160)	(14,627)	(1,299)	(3,829)
Profit for the year/period		80,024	31,784	64,741	4,741	15,260
<b>Profit for the year/period attributable to:</b>						
Owners of the Company		66,516	26,419	56,146	4,228	15,271
Non-controlling interests		13,508	5,365	8,595	513	(11)
		80,024	31,784	64,741	4,741	15,260

	Year ended 31 December			Four months ended	
	2019	2020	2021	2021	2022
Notes	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	<i>(Unaudited)</i>				
Profit for the year/period	80,024	31,784	64,741	4,741	15,260
Other comprehensive income, net of tax					
Items that will not be reclassified to profit or loss:					
Fair value changes on financial assets at fair value through other comprehensive income	(2,687)	513	27,336	15,837	-
Other comprehensive (expense)/income for the year/period	(2,687)	513	27,336	15,837	-
Total comprehensive income for the year/period	77,337	32,297	92,077	20,578	15,260
<b>Total comprehensive income for the year/period attributable to:</b>					
Owners of the Company	64,283	26,845	78,868	17,392	15,271
Non-controlling interests	13,054	5,452	13,209	3,186	(11)
	77,337	32,297	92,077	20,578	15,260



## 2. Consolidated Statements of Financial Position

	Notes	As at 31 December			As at
		2019	2020	2021	30 April
		RMB'000	RMB'000	RMB'000	2022
					RMB'000
<b>Non-current assets</b>					
Property, plant and equipment	18	4,170	2,681	1,959	1,822
Right-of-use assets	19	9,807	6,138	7,277	6,332
Intangible assets	20	410	317	87,610	92,096
Financial assets at fair value through other comprehensive income	21	4,709	5,222	–	–
Deferred tax assets	30	1,506	4,690	4,881	7,104
Prepayments, deposits and other receivables	23	699	265	250	250
<b>Total non-current assets</b>		<b>21,301</b>	<b>19,313</b>	<b>101,977</b>	<b>107,604</b>
<b>Current assets</b>					
Trade receivables	22	139,552	156,097	147,470	206,917
Prepayments, deposits and other receivables	23	8,583	20,822	50,021	39,459
Contract costs	24	–	–	84	59
Amounts due from related parties	27	–	–	–	26,637
Short-term bank deposits	28	25,000	130,000	–	–
Cash and cash equivalents	29	116,932	45,243	50,187	86,637
<b>Total current assets</b>		<b>290,067</b>	<b>352,162</b>	<b>247,762</b>	<b>359,709</b>
<b>Total assets</b>		<b>311,368</b>	<b>371,475</b>	<b>349,739</b>	<b>467,313</b>
<b>Current liabilities</b>					
Trade payables	31	22,286	19,015	20,470	60,145
Other payables and accruals	32	8,789	5,623	11,157	7,708
Contract liabilities	34	1,163	3,276	15,493	9,645
Borrowings	33	–	44,841	–	78,499
Lease liabilities	19	3,755	2,553	2,907	2,990
Amount due to a director	26	–	–	2	–
Amounts due to related parties	27	–	–	130,293	–
Amounts due to investees	25	300	2,800	–	–
Convertible bonds — liability component	35	–	–	–	44,116
Convertible bonds — conversion option derivative	35	–	–	–	3,082
Income tax payable		20,502	11,850	11,890	17,920
<b>Total current liabilities</b>		<b>56,795</b>	<b>89,958</b>	<b>192,212</b>	<b>224,105</b>

	Notes	As at 31 December			As at
		2019	2020	2021	30 April
		RMB'000	RMB'000	RMB'000	2022
					RMB'000
Net current assets		233,272	262,204	55,550	135,604
Total assets less current liabilities		254,573	281,517	157,527	243,208
Non-current liabilities					
Amounts due to investees	25	5,000	2,200	–	–
Lease liabilities	19	6,018	3,465	4,018	3,689
Total non-current liabilities		11,018	5,665	4,018	3,689
NET ASSETS		243,555	275,852	153,509	239,519
Equity attributable to owners of the Company					
Share capital	36	–	–	3	4
Reserves	37	202,443	229,288	151,969	237,989
		202,443	229,288	151,972	237,993
Non-controlling interests	38	41,112	46,564	1,537	1,526
TOTAL EQUITY		243,555	275,852	153,509	239,519

## 3. Statement of Financial Position of the Company

	<i>Notes</i>	<b>As at 31 December 2021 RMB'000</b>	<b>As at 30 April 2022 RMB'000</b>
<b>Non-current assets</b>			
Investment in a subsidiary	39	—*	—*
Amounts due from subsidiaries		—	129,153
<b>Total non-current assets</b>		<u>—*</u>	<u>129,153</u>
<b>Current asset</b>			
Cash and cash equivalents		3	2,625
<b>Total current asset</b>		<u>3</u>	<u>2,625</u>
<b>Total assets</b>		<u>3</u>	<u>131,778</u>
<b>Current liabilities</b>			
Borrowings		—	19,624
Convertible bonds — liability component	35	—	44,116
Convertible bonds — conversion option derivative	35	—	3,082
Amount due to a subsidiary		—*	—*
<b>Total current liabilities</b>		<u>—*</u>	<u>66,822</u>
<b>Net current assets/(liabilities)</b>		<u>3</u>	<u>(64,197)</u>
<b>Total assets less current liability</b>		<u>3</u>	<u>64,956</u>
<b>NET ASSET</b>		<u><u>3</u></u>	<u><u>64,956</u></u>
<b>Equity attributable to owners of the Company</b>			
Share capital	36	3	4
Reserves	37	—	64,952
<b>Total equity</b>		<u><u>3</u></u>	<u><u>64,956</u></u>

\* Represents amount less than RMB1,000.

## 4. Consolidated Statements of Changes in Equity

	Attributable to owners of the Company							Total equity RMB'000	
	Share capital RMB'000 (Note 36)	Share premium RMB'000 (Note 37)	Statutory reserve RMB'000 (Note 37)	Merger reserve RMB'000 (Note 37)	FVTOCI reserve RMB'000 (Note 37)	Retained earnings RMB'000 (Note 37)	Attributable to owner of the Company RMB'000		Non-controlling interests RMB'000
<b>As at 1 January 2019</b>	-	-	8,208	43,745	(2,164)	88,371	138,160	28,058	166,218
Profit for the year	-	-	-	-	-	66,516	66,516	13,508	80,024
Other comprehensive income	-	-	-	-	-	-	-	-	-
- Fair value changes in financial assets at fair value through other comprehensive income	-	-	-	-	(2,233)	-	(2,233)	(454)	(2,687)
Total comprehensive income	-	-	-	-	(2,233)	66,516	64,283	13,054	77,337
Transfer from retained earnings to statutory reserve	-	-	4,789	-	-	(4,789)	-	-	-
<b>As at 31 December 2019 and 1 January 2020</b>	-	-	12,997	43,745	(4,397)	150,098	202,443	41,112	243,555
Profit for the year	-	-	-	-	-	26,419	26,419	5,365	31,784
Other comprehensive income	-	-	-	-	-	-	-	-	-
- Fair value changes in financial assets at fair value through other comprehensive income	-	-	-	-	426	-	426	87	513
Total comprehensive income	-	-	-	-	426	26,419	26,845	5,452	32,297
Transfer from retained earnings to statutory reserve	-	-	1,138	-	-	(1,138)	-	-	-
<b>As at 31 December 2020</b>	-	-	14,135	43,745	(3,971)	175,379	229,288	46,564	275,852

		Attributable to owners of the Company								
		Share capital RMB'000 (Note 36)	Share premium RMB'000 (Note 37)	Statutory reserve RMB'000 (Note 37)	Merger reserve RMB'000 (Note 37)	FVTOCI reserve RMB'000 (Note 37)	Retained earnings RMB'000 (Note 37)	Attributable to owner of the Company RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
<b>As at 1 January 2021</b>		-	-	14,135	43,745	(3,971)	175,379	229,288	46,564	275,852
Profit for the year		-	-	-	-	-	56,146	56,146	8,595	64,741
Other comprehensive income		-	-	-	-	-	-	-	-	-
- Fair value changes in financial assets at fair value through other comprehensive income		-	-	-	-	22,722	-	22,722	4,614	27,336
Total comprehensive income		-	-	-	-	22,722	56,146	78,868	13,209	92,077
Transfer from retained earnings to statutory reserve		-	-	1,683	-	-	(1,683)	-	-	-
Transfer from statutory reserve to retained earnings		-	-	(4,448)	-	-	4,448	-	-	-
Deemed distributions of assets to and assumptions of liabilities by controlling shareholders (Note 40)		-	-	-	1,577	-	-	1,577	-	1,577
Deemed distributions of profits (Note i)		-	-	(9,887)	(57,961)	(18,751)	(223,625)	(310,224)	(59,776)	(370,000)
Issue of shares		3	-	-	-	-	-	3	-	3
Capital contributions from beneficial shareholders to subsidiaries (Note ii)		-	-	-	152,460	-	-	152,460	1,540	154,000
<b>As at 31 December 2021 and 1 January 2022</b>		3	-	1,483	139,821	-	10,665	151,972	1,537	153,509
Profit for the period		-	-	-	-	-	15,271	15,271	(11)	15,260
Total comprehensive income		-	-	-	-	-	15,271	15,271	(11)	15,260
Transfer from retained earnings to statutory reserve		-	-	1,860	-	-	(1,860)	-	-	-
Issue of shares		1	69,720	-	-	-	-	69,721	-	69,721
Deemed capital contribution from a shareholder (Note iii)		-	1,029	-	-	-	-	1,029	-	1,029
<b>As at 30 April 2022</b>		4	70,749	3,343	139,821	-	24,076	237,993	1,526	239,519

	Attributable to owners of the Company							Total equity RMB'000	
	Share capital RMB'000 (Note 36)	Share premium RMB'000 (Note 37)	Statutory reserve RMB'000 (Note 37)	Merger reserve RMB'000 (Note 37)	FVTOCI reserve RMB'000 (Note 37)	Retained earnings RMB'000 (Note 37)	Attributable to owner of the Company RMB'000		Non-controlling interests RMB'000
<b>As at 1 January 2021</b>	-	-	14,135	43,745	(3,971)	175,379	229,288	46,564	275,852
Profit for the period	-	-	-	-	-	4,228	4,228	513	4,741
Other comprehensive income	-	-	-	-	-	-	-	-	-
- Fair value changes in financial assets at fair value through other comprehensive income	-	-	-	-	13,164	-	13,164	2,673	15,837
Total comprehensive income	-	-	-	-	13,164	4,228	17,392	3,186	20,578
Transfer from retained earnings to statutory reserve	-	-	788	-	-	(788)	-	-	-
<b>As at 30 April 2021 (Unaudited)</b>	-	-	14,923	43,745	9,193	178,819	246,680	49,750	296,430

## Notes:

- (i) It represented the deemed distributions to the controlling shareholders and the non-controlling interests of the Transfer or in relations to the Business Transfer at the date of Business Transfer (i.e., 1 December 2021).
- (ii) Among the capital contributions from beneficial shareholders to subsidiaries, RMB153,000,000 represents the amount which was contributed by Mr. Liu Jianhui ("Mr. Liu"), a director of the Company, for his 1% equity interest in a subsidiary of the Company, namely Beijing Many Idea Cloud Technology Co., Limited.
- (iii) The deemed capital contribution was arising from loan from a shareholder at below-market rate of interest. The amount represented the difference between the original principal amounts of RMB20,157,000 and the fair value on initial recognition of approximately RMB19,128,000.

## 5. Consolidated Statements of Cash Flows

	Year ended 31 December			Four months ended	
	2019	2020	2021	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				<i>(Unaudited)</i>	
<b>Cash flows from operating activities</b>					
Profit before income tax expense	98,595	36,944	79,368	6,040	19,089
Adjustments for:					
Depreciation of property, plant and equipment	1,969	1,566	1,033	502	211
Amortisation of intangible assets	137	125	6,490	44	4,005
Depreciation of right-of-use assets	3,364	3,669	2,893	1,095	958
Gain on early termination of lease	-	-	(29)	(29)	-
Finance costs	568	1,090	3,787	1,522	4,210
Interest income	(940)	(2,190)	(1,550)	(647)	(568)
Provision for impairment loss recognised on trade receivables, net	3,667	11,480	5,758	7,839	8,774
Gain on written-back of trade payables	-	-	(1,415)	-	-
Fair value changes of conversion option derivative	-	-	-	-	(759)
Effect of foreign exchange rate changes	-	-	-	-	2,715
<b>Operating profits before working capital changes</b>	107,360	52,684	96,335	16,366	38,635
Increase in trade receivables	(31,125)	(28,025)	(35,414)	(53,914)	(95,677)
(Increase)/decrease in prepayments, deposits and other receivables	(6,525)	(10,311)	(31,356)	(76,097)	11,754
(Increase)/decrease in contract costs	-	-	(84)	(1,952)	25
(Decrease)/increase in trade payables	(3,535)	(3,271)	2,870	(2,756)	39,675
Increase/(decrease) in other payables and accruals	3,689	(3,166)	5,753	482	(2,737)
(Decrease)/increase in contract liabilities	(738)	2,113	12,217	(874)	(5,848)
<b>Cash generated from operations</b>	69,126	10,024	50,321	(118,745)	(14,173)
Income tax paid	(9,983)	(16,996)	(2,315)	(23)	(22)
<b>Net cash generated from/(used in) operating activities</b>	59,143	(6,972)	48,006	(118,768)	(14,195)



	Year ended 31 December			Four months ended	
	2019	2020	2021	30 April	
	RMB'000	RMB'000	RMB'000	2021	2022
			RMB'000	RMB'000	
				<i>(Unaudited)</i>	
<b>Cash flows from investing activities</b>					
Purchases of property, plant and equipment	(77)	(77)	(311)	(4)	(74)
Investment in financial assets at fair value through other comprehensive income	(4,100)	(300)	(32,800)	(400)	–
Purchases of intangible assets	–	(32)	(93,783)	–	(8,491)
Increase in short-term deposits	(101,400)	(130,000)	–	–	–
Decrease in short-term deposits	151,700	25,000	130,000	130,000	–
Interest received	1,436	696	2,778	1,769	7
	<u>47,559</u>	<u>(104,713)</u>	<u>5,884</u>	<u>131,365</u>	<u>(8,558)</u>
<b>Net cash generated from / (used in) investing activities</b>					
<b>Cash flows from financing activities</b>					
Proceeds from borrowings	4,000	44,841	52,210	42,710	130,370
Repayment of borrowings	(4,000)	–	(44,841)	–	(53,900)
Proceeds from issuance of convertible bonds	–	–	–	–	44,352
Repayment of principal portion of the lease liabilities	(3,083)	(3,755)	(3,096)	(606)	(259)
Payment of deferred listing expenses	–	–	(1,847)	–	(542)
Advances from directors	–	–	2	–	–
Repayment to directors	–	–	–	–	(2)
Issue of shares	–	–	3	–	69,721
Capital contributions from a beneficial shareholder to a subsidiary	–	–	154,000	–	–
Settlement of consideration arise from business transfer	–	–	(201,590)	–	(130,293)
Interest paid	(568)	(1,090)	(3,787)	(1,522)	(111)
	<u>(3,651)</u>	<u>39,996</u>	<u>(48,946)</u>	<u>40,582</u>	<u>59,336</u>
<b>Net cash (used in)/generated from financing activities</b>					

	Year ended 31 December			Four months ended	
	2019	2020	2021	30 April	
	RMB'000	RMB'000	RMB'000	2021	2022
				RMB'000	RMB'000
				<i>(Unaudited)</i>	
Net increase/(decrease) in cash and cash equivalents	103,051	(71,689)	4,944	53,179	36,583
Cash and cash equivalents at the beginning of year/period	13,881	116,932	45,243	45,243	50,187
Effect of foreign exchange rate changes on cash and cash equivalents	—	—	—	—	(133)
Cash and cash equivalents at the end of year/period	<u>116,932</u>	<u>45,243</u>	<u>50,187</u>	<u>98,422</u>	<u>86,637</u>
Analysis of the balances of cash and cash equivalents:					
Cash and bank balances	<u>116,932</u>	<u>45,243</u>	<u>50,187</u>	<u>98,422</u>	<u>86,637</u>

*Reconciliation of liabilities arising from financing activities*

	Borrowings RMB'000	Lease liabilities RMB'000	Amount due to a director RMB'000	Amounts due to related parties RMB'000	Convertible bonds RMB'000
<b>As at 1 January 2019</b>	-	11,284	-	-	-
<i>Changes from cash flow:</i>					
Proceeds from new borrowings	4,000	-	-	-	-
Repayment of borrowings	(4,000)	-	-	-	-
Repayment of principal elements	-	(3,083)	-	-	-
Interest paid	(27)	(541)	-	-	-
	<u>(27)</u>	<u>(3,624)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other changes:</i>					
Interest expenses	27	-	-	-	-
Commencement of leases	-	1,572	-	-	-
Imputed interest incurred on lease payments	-	541	-	-	-
	<u>27</u>	<u>2,113</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>As at 31 December 2019</b>	-	9,773	-	-	-
<i>Changes from cash flow:</i>					
Proceeds from new borrowings	44,841	-	-	-	-
Repayment of principal elements	-	(3,755)	-	-	-
Interest paid	(684)	(406)	-	-	-
	<u>44,157</u>	<u>(4,161)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other changes:</i>					
Interest expenses	684	-	-	-	-
Imputed interest incurred on lease payments	-	406	-	-	-
	<u>684</u>	<u>406</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>As at 31 December 2020</b>	<u>44,841</u>	<u>6,018</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Borrowings RMB'000	Lease liabilities RMB'000	Amount due to a director RMB'000	Amounts due to related parties RMB'000	Convertible bonds RMB'000
<b>As at 1 January 2021</b>	44,841	6,018	–	–	–
<i>Changes from cash flow:</i>					
Advances from directors	–	–	2	–	–
Proceeds from new borrowings	52,210	–	–	–	–
Repayment of borrowings	(44,841)	–	–	–	–
Repayment of principal elements	–	(3,096)	–	–	–
Settlement of consideration arise from business transfer	–	–	–	(201,590)	–
Interest paid	(3,459)	(328)	–	–	–
	<u>3,910</u>	<u>(3,424)</u>	<u>2</u>	<u>(201,590)</u>	<u>–</u>
<i>Other changes:</i>					
Interest expenses	3,459	–	–	–	–
Assumptions of liabilities by controlling shareholders (Note 40)	(52,210)	–	–	–	–
Recognition of consideration of business transfer	–	–	–	370,000	–
Expenses paid on behalf by related parties	–	–	–	166	–
Collection of trade receivables on behalf by related parties (note)	–	–	–	(38,283)	–
Effect of lease modification	–	4,247	–	–	–
Early termination of lease	–	(815)	–	–	–
Commencement of leases	–	571	–	–	–
Imputed interest incurred on lease payments	–	328	–	–	–
	<u>(48,751)</u>	<u>4,331</u>	<u>–</u>	<u>331,883</u>	<u>–</u>
<b>As at 31 December 2021</b>	<u>–</u>	<u>6,925</u>	<u>2</u>	<u>130,293</u>	<u>–</u>

	Borrowings RMB'000	Lease liabilities RMB'000	Amount due to a director RMB'000	Amounts due to related parties RMB'000	Convertible bonds RMB'000
<b>As at 1 January 2022</b>	–	6,925	2	130,293	–
<i>Changes from cash flow:</i>					
Proceeds from new borrowings	130,370	–	–	–	–
Repayment of principal elements	(53,900)	(259)	–	–	–
Settlement of consideration arise from business transfer	–	–	–	(130,293)	–
Proceeds from convertible bonds	–	–	–	–	44,352
Repayment to a director	–	–	(2)	–	–
Interest paid	–	(111)	–	–	–
	<u>76,470</u>	<u>(370)</u>	<u>(2)</u>	<u>(130,293)</u>	<u>44,352</u>
<i>Other changes:</i>					
Interest expenses	2,265	–	–	–	1,834
Deemed capital contribution from a shareholder	(1,029)	–	–	–	–
Fair value change of convertible bond — conversion option derivative	–	–	–	–	(759)
Exchange difference	793	–	–	–	1,771
Commencement of leases	–	13	–	–	–
Imputed interest incurred on lease payments	–	111	–	–	–
	<u>2,029</u>	<u>124</u>	<u>–</u>	<u>–</u>	<u>2,846</u>
<b>As at 30 April 2022</b>	<u><u>78,499</u></u>	<u><u>6,679</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>47,198</u></u>

	Borrowings	Lease liabilities	Amount due to a director	Amounts due to related parties	Convertible bonds
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>As at 1 January 2021</b>	44,841	6,018	-	-	-
<i>Changes from cash flow:</i>					
Proceeds from new borrowings	42,710	-	-	-	-
Repayment of principal elements	-	(606)	-	-	-
Interest paid	(1,433)	(89)	-	-	-
	<u>41,277</u>	<u>(695)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other changes:</i>					
Interest expenses	1,433	-	-	-	-
Effect of lease modification	-	(815)	-	-	-
Commencement of leases	-	571	-	-	-
Imputed interest incurred on lease payments	-	89	-	-	-
	<u>1,433</u>	<u>(155)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>As at 30 April 2021 (Unaudited)</b>	<u><u>87,551</u></u>	<u><u>5,168</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

*Note:*

The amount arises as a number of customers of the Group continue to repay their outstanding amounts to Xiamen Many Idea, despite these customers have agreed with Xiamen Many Idea to transfer the right of debt collection to the Group by signing the tripartite agreement under the Business Transfer which was completed on 1 December 2021.

## II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

### 1. CORPORATE INFORMATION AND BASIS OF PRESENTATION

#### (a) General information

The Company was incorporated in Cayman Islands on 10 June 2021, as an exempted company with limited liability under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office of the Company is located at 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands. Its principal place of business is 12/F., ERKE Group Mansion, 11 Guanyin Shan Hualien Road, Siming District, Xiamen, Fujian province, the People's Republic of China (the "PRC").

The Company is an investment holding company and the Group is principally engaged in provision of content marketing, digital marketing, public relations event planning services, media advertising services and Software as a Service (the "SaaS") interactive marketing services (the "Listing Business") in the PRC. There has been no significant change in the Group's principal activities during the Track Record Period.

In the opinion of the directors of the Company, the Listing Business was controlled by Mr. Liu and his spouse, Ms. Qu, throughout the Track Record Period.

#### (b) Reorganisation

Prior to the incorporation of the Company and completion of the Reorganisation as described in the section headed "History, Reorganisation and Corporate Structure" in the Prospectus, the provision of content marketing services, digital marketing services, public relations event planning services, media advertising services and SaaS interactive marketing services were carried out by Xiamen Many Idea, Jiangxi Meita, Xiamen Second Future, Xinjiang Kashi, Beijing Many Idea, Quanzhou Many Idea and Hainan Many Idea. Before the completion of the Reorganisation, the abovementioned companies and Shanghai Senyu (collectively the "Xiamen Many Idea Group") were controlled by Mr. Liu and his spouse, Ms. Qu, throughout the Track Record Period.

The Company and its subsidiaries now comprising the Group underwent the Reorganisation as set out in the section headed "History, Reorganisation and Corporate Structure" in the Prospectus. Apart from the Reorganisation, the Company has not commenced any business or operation since its incorporation.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

Name of subsidiary	Place and date of incorporation/ establishment and form of business structure	Percentage of equity attributable to the Company		Issued and fully paid ordinary share capital or registered capital	Principal activities and principal place of business	Note
		Directly	Indirectly			
Many Idea Interactive Limited ("Many Idea BVI")	British Virgin Islands ("BVI"), 9 July 2021, limited liability company	100%	-	Issued and fully paid capital USD1	Investment holding, BVI	(a)



Name of subsidiary	Place and date of incorporation/ establishment and form of business structure	Percentage of equity attributable to the Company		Issued and fully paid ordinary share capital or registered capital	Principal activities and principal place of business	Note
		Directly	Indirectly			
Many Idea Interactive Technology (Hong Kong) Ltd. ("Many Idea HK") (多想互動科技(香港)有限 公司)	Hong Kong ("HK"), 26 July 2021, limited liability company	-	100%	Issued and fully paid capital HKD1	Investment holding, HK	(b)
Xiamen Many Idea Interactive Cloud Technology Co., Ltd.* ("WFOE") (廈門多想互動雲科技有限 公司)	PRC, 26 November 2021, limited liability company	-	100%	Registered capital RMB200,000,000	Investment holding, PRC	(a)
Xiamen Instant Interactive Co., Ltd.* ("Xiamen Instant Interactive") (廈門即刻互動文化傳播有限 公司)	PRC, 11 May 2021, limited liability company	-	100%	Registered capital RMB3,000,000	Provision of content marketing services, digital marketing services, public relations event planning services and media advertising services, PRC	(a)
Beijing Many Idea Cloud Technology Co., Ltd.* ("Beijing Many Idea Cloud") (北京多想雲科技有限 公司)	PRC, 24 November 2021, limited liability company	-	99%	Registered capital RMB1,000,000	Investment holding, PRC	(a)
Xiamen Many Idea Interactive Co., Ltd.* ("Xiamen Many Idea") (廈門多想互動文化傳播股 份有限公司)	PRC, 21 May 2012, limited liability company	-	- (Prior to 1 December 2021: 83.12%)	Registered capital RMB50,800,001	Provision of content marketing services, digital marketing services, public relations event planning services and media advertising services, PRC	(c), (d)
Shanghai Senyu Advertising Co., Ltd.* ("Shanghai Senyu") (上海森昱廣告有限 公司)	PRC, 12 December 2012, limited liability company	-	100% (Prior to 1 December 2021: 83.12%)	Registered capital RMB30,000,000	Inactive	(a)
Jiangxi Meita Culture Communication Co., Ltd.* ("Jiangxi Meita") (江西美塔文化傳播有限 公司)	PRC, 6 June 2016, limited liability company	-	100% (Prior to 1 December 2021: 83.12%)	Registered and fully paid capital RMB15,000,000	Provision of content marketing services, digital marketing services, public relations event planning services, media advertising services, PRC	(a)
Xiamen Second Future Technology Co., Ltd.* ("Xiamen Second Future") (廈門第二未來科技有限 公司)	PRC, 14 July 2016, limited liability company	-	100% (Prior to 1 December 2021: 83.12%)	Registered capital RMB50,000,000	Provision of content marketing services, digital marketing services, public relations event planning services, media advertising services and SaaS interactive marketing services, PRC	(a)

Name of subsidiary	Place and date of incorporation/ establishment and form of business structure	Percentage of equity attributable to the Company		Issued and fully paid ordinary share capital or registered capital	Principal activities and principal place of business	Note
		Directly	Indirectly			
Xinjiang Kashi Lianjie Culture Communication Co., Ltd.* ("Xinjiang Kashi") (新疆喀什聯界文化傳播有限公司)	PRC, 5 April 2016, limited liability company	-	100% (Prior to 1 December 2021: 83.12%)	Registered and fully paid up capital RMB5,000,000	Provision of content marketing services, digital marketing services, public relations event planning services, media advertising services, PRC	(a)
Beijing Many Idea Interactive Culture Communication Co., Ltd.* ("Beijing Many Idea") (北京多想互動文化傳播有限公司)	PRC, 26 October 2017, limited liability company	-	- (Prior to 1 December 2021: 83.12%)	Registered and fully paid up capital RMB5,000,000	Provision of content marketing services, digital marketing services, public relations event planning services, media advertising services, PRC	(a), (d)
Quanzhou Many Idea Interactive Culture Communication Co., Ltd.* ("Quanzhou Many Idea") (泉州多想互動文化傳播有限公司)	PRC, 2 July 2018, limited liability company	-	100% (Prior to 1 December 2021: 83.12%)	Registered and fully paid up capital RMB5,000,000	Provision of content marketing services, digital marketing services, public relations event planning services, media advertising services, PRC	(a)
Hainan Many Idea Future Culture Communication Co., Ltd.* ("Hainan Many Idea") (海南多想未來文化傳播有限公司)	PRC, 19 March 2021, limited liability company	-	100% (Prior to 1 December 2021: 83.12%)	Registered capital RMB5,000,000	Provision of content marketing services, digital marketing services, public relations event planning services, media advertising services, PRC	(a)
Xinjiang Many Idea Cloud Culture Communication Co., Ltd.* ("Xinjiang Many Idea Cloud") (新疆多想雲文化傳播有限公司)	PRC, 9 May 2022, limited liability company	-	100%	Registered capital RMB5,000,000	Provision of content marketing services, digital marketing services, public relations event planning services, media advertising services, PRC	(a)

\* English names of the subsidiaries are translated directly from their corresponding official Chinese names.

Notes:

- (a) There are no statutory audit requirements under the relevant rules and regulations in its jurisdiction of incorporation for these subsidiaries. No audited financial statements have been prepared for these entities during the Track Record Period.
- (b) The financial statements of this subsidiary for the period from 26 July 2021 (date of incorporation) to 31 December 2021 were audited by BDO Limited.
- (c) There are no statutory audit requirements under the relevant rules and regulations in its jurisdiction of incorporation but the financial statements of this subsidiary for the years ended 31 December 2017, 2018 and 2019 and the six months ended 30 June 2020 were audited by Zhitong Certified Public Accountants LLP# (致同會計師事務所(特殊普通合伙)).

- (d) Prior to the completion of Business Transfer (Note 40), these subsidiaries were 83.12% owned subsidiaries of the Company. Upon the completion of Business Transfer, these subsidiaries were transferred back to the controlling shareholders and no longer owned by the Group.

# English name of this professional party is translated directly from its corresponding official Chinese name.

(c) **Basis of presentation**

Pursuant to the Reorganisation described in the section headed "History, Reorganisation and Corporate Structure" in the Prospectus, the Company became the holding company of the companies now comprising the Group on 1 December 2021. The companies now comprising the Group were under the common control of Mr. Liu and his spouse, Ms. Qu, immediately before and after the completion of the Reorganisation. Accordingly, for the purpose of this report, the Historical Financial Information has been prepared on a consolidated basis by applying the principles of merger method of accounting as if the Reorganisation and Business Transfer had been completed at the beginning of the Track Record Period.

Accordingly, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for the years ended 31 December 2019, 2020, 2021 and the four months ended 30 April 2022 have included the results, changes in equity and cash flows of the companies now comprising the Group from the earliest date presented or since their respective dates of incorporation, whichever was shorter, as if the current group structure had been in existence throughout the Track Record Period. The consolidated statements of financial position of the Group as at 31 December 2019, 2020, 2021 and 30 April 2022 have been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure had been in existence at those dates. No adjustment is made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation.

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with the HKFRSs, which are effective for the Group's accounting period beginning on 1 January 2022 throughout the Track Record Period.

At the date of this report, certain new or revised HKFRSs have been issued by the HKICPA but are not effective and have not been adopted early by the Group are set out in Note 3.

2. **BASIS OF PREPARATION**

(a) **Statement of compliance**

The Historical Financial Information set out in this report has been prepared in accordance with the accounting policies set out below, which conform with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange (the "Listing Rules").

(b) **Basis of measurement**

The Historical Financial Information has been prepared under the historical cost basis except for the financial assets at fair value through other comprehensive income, which are measured at fair value as explained in the accounting policies set out below.

(c) **Functional and presentation currency**

The Historical Financial Information is presented in Renminbi ("RMB"). The functional currency of the Company is RMB. The Company's primary subsidiaries are incorporated in the PRC and for these subsidiaries, RMB is the functional currency. All values in the Historical Financial Information are rounded to the nearest thousand except when otherwise indicated.

### 3. NEW/REVISED HKFRSs THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE

The following new/revised HKFRSs, potentially relevant to the Group's Historical Financial Information, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 1 HK Interpretation 5 (2020)	Classification of Liabilities as Current or Non-current <sup>2</sup> Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>2</sup>
HKFRS 17 Amendments to HKFRS 10 and HKAS 28	Insurance Contracts <sup>2</sup> Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKAS 1 Amendments to HKAS 8 Amendments to HKAS 12	Disclosure of Accounting Policies <sup>2</sup> Definition of Accounting Estimates <sup>2</sup> Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>2</sup>

<sup>1</sup> The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2023.

Further details about those HKFRSs that are not yet effective and are expected to be applicable to the Group are as follows:

#### **Amendments to HKAS 1, Classification of Liabilities as Current or Non-current and HK Interpretation 5 (2020), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause**

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and explain that rights are in existence if covenants are complied with at the end of the reporting period. The amendments also introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

HK Int 5 (2020) was revised as a consequence of the Amendments to HKAS 1 issued in August 2020. The revision to HK Int 5 (2020) updates the wordings in the interpretation to align with the Amendments to HKAS 1 with no change in conclusion and do not change the existing requirements.

The directors of the Company do not anticipate that the application of the amendments and revision in the future will have an impact on the consolidated financial statements.

#### **HKFRS 17 – Insurance Contracts**

The new standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes HKFRS 4, Insurance Contracts. The standard outlines a 'General Model', which is modified for insurance contracts with direct participation features, described as the 'Variable Fee Approach'. The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach.

The directors of the Company do not anticipate that the application of this standard in the future will have an impact on the consolidated financial statements.

**Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments clarify with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. When the transaction with an associate or joint venture that is accounted for using the equity method, any gains or losses resulting from the loss of control of a subsidiary that does not contain a business are recognised in the profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, any gains or losses resulting from the remeasurement of retained interest in any former subsidiary (that has become an associate or a joint venture) to fair value are recognised in the profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The directors of the Company anticipate that the application of these amendments may have an impact on the consolidated financial statements in future periods should such transaction arise.

**Amendments to HKAS 1, Disclosure of Accounting Policies**

The amendments to Disclosure of Accounting Policies were issued following feedback that more guidance was needed to help companies decide what accounting policy information should be disclosed. The amendments to HKAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to HKFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

**Amendments to HKAS 8, Definition of Accounting Estimates**

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

**Amendments to HKAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

The amendments clarify whether the initial recognition exemption applies to certain transactions that often result in both an asset and a liability being recognised simultaneously. Such instances might include the initial recognition of leases from the perspective of a lessee or asset retirement obligations (AROs)/decommissioning liabilities.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

**4. SIGNIFICANT ACCOUNTING POLICIES****(a) Merger accounting for the Reorganisation**

The consolidated financial statements incorporate the financial statements of the consolidating entities or businesses in which the common control combination occurs as if they had been consolidated from the date when the consolidating entities or businesses first came under the control of the controlling party.

The net assets of the consolidating entities or businesses are consolidated using the existing book values from the controlling parties' perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statements of profit or loss and other comprehensive income include the results of each of the consolidating entities from the earliest date presented or since the date when the consolidating entities first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

All income, expenses and unrealised gains and losses resulting from intercompany transactions and intercompany balances within the Group are eliminated on combination.

**(b) Basis of consolidation**

Except for the merger accounting for the Reorganisation described above, the acquisition method of accounting is used for all other acquisitions of subsidiaries or businesses.

The Historical Financial Information comprise the financial statements of the Company and its subsidiaries (the "Group"). Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive processes and whether the acquired set has the ability to produce outputs.

The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

Changes in the Group's interests in a subsidiary that do not result in a loss of control of the subsidiary are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

**(c) Subsidiaries**

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists, the Company considers all relevant facts and circumstances, including:

- the size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights;
- substantive potential voting rights held by the Company and other parties who hold voting rights;
- other contractual arrangements; and
- historic patterns in voting attendance.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

**(d) Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in profit or loss during the financial period in which they are incurred.



Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The principal annual rates are as follows:

**Owned assets**

Leasehold improvement	The shorter of 3 years or period of the related lease
Furniture and equipment	20% - 33.33%
Motor vehicles	12.5%

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in the profit or loss on disposal.

**(e) Intangible assets (other than goodwill)**

*(i) Intangible assets acquired separately and in a business combination*

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is its fair value at the date of acquisition. Subsequently, intangible assets with indefinite useful lives are carried at cost less any accumulated impairment losses. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

The management determines the estimated useful lives and related amortisation for the intangible assets with reference to the estimated periods that the Group intends to derive future economic benefits from the use of these assets.

The useful lives and amortisation method are reviewed, and adjusted if appropriate, at the end of each reporting period. Amortisation is provided on a straight-line basis over their useful lives. The principal annual rates are as follows:

Computer software	10% - 33.33%
Licences	Over the term of licence agreement

SaaS related software acquired in the course of business operation is recognised as computer software. The SaaS related software have a finite useful life that is dependent to the SaaS interactive marketing business of the Group and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected useful life of the SaaS related software, which is estimated to be 10 years. The expected useful life is determined based on management's best estimate of the total period from which the benefits will be derived from the SaaS related software and will reflect the consumption of future economic benefits from the SaaS related software in the Group's SaaS interactive marketing business, taking into account (1) the typical term of the service contracts; (2) the business expansion plan of SaaS interactive marketing business formulated by the management; (3) the capability and functionality of the SaaS related software; and (4) technological obsolescence.

*(ii) Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iii) *Derecognition of intangible assets*

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(iv) *Impairment of intangible assets*

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts (see Note 4(n)).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as revaluation decrease to the extent of its revaluation surplus.

(f) **Financial instruments**

(i) *Financial asset*

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

*Debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income (“FVOCI”): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVTOCI. Debt investments at FVTOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

FVTPL: Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVTOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

#### *Equity instruments*

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at FVTOCI are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

#### *(ii) Impairment loss on financial assets*

The Group recognises loss allowances for expected credit loss (“ECL”) on trade receivables, other financial assets measured at amortised cost and debt investments measured at FVOCI. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within 12 months after the reporting date; and (2) Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets’ original effective interest rate.

The Group measures loss allowances for trade receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group’s historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on lifetime ECLs except when there has not been a significant increase in credit risk since initial recognition, in which case the allowance will be based on the 12-months ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to action such as realising security (if any is held); or the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

The Group considers a financial asset to be credit-impaired when:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in "FVTOCI reserve (recycling)".

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets, interest income is calculated based on the gross carrying amount.

(iii) *Financial liabilities*

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

*Financial liabilities at amortised cost*

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) *Convertible bonds*

Convertible notes issued by the Company that contain the liability and conversion option components are classified separately into their respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument. Conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is a conversion option derivative.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. For conversion option classified as an equity instrument, the difference between the proceeds of the issue of the convertible loan notes and the fair value assigned to the liability component, representing the conversion option for the holder to convert the loan notes into equity, is included in equity (convertible notes equity reserve). For conversion option classified as derivative, it is recognised at fair value. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as liability.

In subsequent periods, the liability component of the convertible loan notes is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the liability component into ordinary shares of the Company, will remain in convertible notes equity reserve until the embedded option is exercised (in which case the balance stated in convertible loan equity reserve will be transferred to share capital). Where the option remains unexercised at the expiry dates, the balance stated in convertible loan notes equity reserve will be released to the retained earnings. No gain or loss is recognised upon conversion or expiration of the option. The conversion option derivative is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and conversion option components in proportion to the allocation of the proceeds. Transaction costs relating to the equity component are charged directly to equity and relating to conversion option derivative is recognised to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible loan notes using the effective interest method.

(v) *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(vi) *Equity instrument*

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(vii) *Financial guarantee contracts*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the loss allowance, being the ECL provision measured in accordance with principles of the accounting policy set out in Note 4(f)(ii); and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the principles of HKFRS 15.

(viii) *Derecognition*

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

(g) **Leases**

*The Group as lessee*

All leases are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term of 12 months or less and do not contain purchase option. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

*Right-of-use asset*

The right-of-use asset is initially recognised at cost and would comprise:

- (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability);
- (ii) any lease payments made at or before the commencement date, less any lease incentives received;
- (iii) any initial direct costs incurred by the lessee; and
- (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Except for right-of-use asset that meets the definition of an investment property or a class of property, plant and equipment to which the Group applies the revaluation model, the Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the underlying assets.

Other than the above right-of-use assets, the Group also has leased a number of properties under tenancy agreements which the Group exercises its judgement and determines that it is a separate class of asset apart from the leasehold land and buildings which is held for own use. As a result, the right-of-use asset arising from the properties under tenancy agreements are carried at depreciated cost.

*Lease liability*

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments:

- (i) fixed lease payments less any lease incentives receivable;
- (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date;
- (iii) amounts expected to be payable by the lessee under residual value guarantees;
- (iv) exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by:

- (i) increasing the carrying amount to reflect interest on the lease liability;
- (ii) reducing the carrying amount to reflect the lease payments made; and
- (iii) remeasuring the carrying amount to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payments.



When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

When the Group renegotiates the contractual terms of a lease with the lessor, if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease, in all other cases, where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount. With the exception to which the practical expedient for Covid-19-Related Rent Concessions applies, if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date and the right-of-use asset is adjusted by the same amount.

**(h) Foreign currencies**

Transactions entered into by the group entities in currencies other than the currency of the primary economic environment in which they operate (the “**functional currency**”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of each reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Renminbi) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of each reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign exchange reserve (attributed to non-controlling interests as appropriate). Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in the foreign exchange reserve.

(i) **Employee benefits**

(i) *Short-term employee benefits*

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of each reporting period in which the employees render the related service. Short-term employee benefits are recognised in the year when the employees render the related service.

(ii) *Defined contribution retirement plan*

Pursuant to the relevant regulations of the PRC government, the Group participants in a central pension scheme operated by the local municipal government (the "Scheme"), whereby the subsidiaries of the Company in PRC is required to contribute a certain percentage of the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the subsidiaries of the Company. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme. Contributions under the Scheme are charged to profit or loss as incurred.

(iii) *Termination benefits*

Termination benefits are recognised on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

(j) **Revenue recognition**

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception.

Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method.

For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

*(i) Revenue from content marketing services*

Content marketing is a form of customers' demand-oriented strategic marketing approach, focused on brand display through self-developed or proxy intellectual properties.

The Group recognises revenue from content marketing services over the period that the related services are rendered using the output method, as the customer simultaneously received and consumes the benefits provided by the Group.

*(ii) Revenue from digital marketing services*

Digital marketing is a form of marketing strategy that utilise internet and online based digital technologies to promote customers' product and service.

The Group recognises revenue from digital marketing services over the period that the related services are rendered using the output method, as the customer simultaneously received and consumes the benefits provided by the Group.

*(iii) Revenue from public relations event planning services*

Public relations event planning services is a comprehensive services delivered by the Group from concept creation, venue decoration, stage design, audio visual and lighting set up and all kinds of entertainment and performance production.

The Group recognises revenue from public relations event planning services over the period that the related services are rendered using the output method, as the customer simultaneously received and consumes the benefits provided by the Group.

*(iv) Revenue from advertisement placement services*

The Group recognises revenue from advertisement placement services over the period that the related services are rendered using the output method, as the customer simultaneously received and consumes the benefits provided by the Group.

*(v) Revenue from SaaS interactive marketing services*

The Group offers SaaS interactive marketing services which is a cloud-based software and related services to the customers. Revenue from SaaS interactive marketing services includes fixed subscription fees and revenue from customisation for SaaS-related services.

Fixed subscription fees are generally recognised over time on a systematic basis over the contract term beginning on the date that the service is made available to customer.

The Group recognises revenue from customisation for SaaS-related services at the time when the control of customisation product are transferred.

(vi) *Interest income*

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

*Contract assets and liabilities*

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Group's unconditional right to consideration, i.e., only the passage of time is required before payment of that consideration is due. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

*Contract costs*

The Group recognises an asset from the costs incurred to fulfil a contract when those costs meet all of the following criteria:

- (a) the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- (b) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) the costs are expected to be recovered.

The asset recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the cost relate. The asset is subject to impairment review.

(k) **Government grants**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable and are recognised as other revenue, rather than reducing the related expense.

**(l) Income taxes**

Income taxes for the year/period comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of each reporting period. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income tax.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill not deductible for tax purposes and initial recognition of assets and liabilities that are not part of the business combination which affect neither accounting nor taxable profits, taxable temporary differences arising on investments in subsidiaries, associates and joint ventures where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised, provided that the deductible temporary differences are not arising from initial recognition of assets and liabilities in a transaction other than in a business combination that affects neither taxable profit nor the accounting profit. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of each reporting period, and reflects any uncertainty related to income taxes.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

**(m) Provisions and contingent liabilities**

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

**(n) Impairment of assets (other than financial assets)**

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- right-of-use assets; and
- intangible assets.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years/periods. A reversal of an impairment loss is recognised as income immediately.

**(o) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and short-term deposits and highly liquid investments with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

**(p) Related parties**

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).

- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management services to the group or to the group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

**(q) Research and development costs**

All research costs are charged to profit or loss as incurred.

Expenditure incurred to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expenses when incurred.

**5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**(a) Critical judgements in applying accounting policies**

**(i) *Determination of functional currency***

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the group entities, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the group entities are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.



**(b) Key sources of estimation uncertainty****(i) *Useful lives and residual values of property, plant and equipment***

The Group's management determines the estimated useful lives and residual values for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are less than previously estimated. It will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives; actual residual values may differ from estimated residual values. Periodic view could result in a change in depreciable lives and residual values and therefore depreciation expense in the future periods.

**(ii) *Impairment of trade receivables, deposits and other receivables and amounts due from related parties***

The measurement of impairment losses under HKFRS 9 requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, including the economic downturn and uncertainties that have arisen as a result of COVID-19 pandemic, have made these estimates more judgemental, in which can result in different levels of allowances.

At the end of each reporting period, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

**(iii) *Impairment of property, plant and equipment, intangible assets and right-of-use assets***

Property, plant and equipment, intangible assets and right-of-use assets are tested for impairment when indicators exist. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount being fair value less costs of disposal or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

**(iv) *Estimated incremental borrowing rate for leases***

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

(v) *Income tax and deferred tax*

Determining income tax provisions requires the Group to make judgements on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions in accordance with prevailing tax regulations and makes tax provisions accordingly. In addition, deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. This requires significant judgement on the tax treatments of certain transactions and also assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered.

(vi) *Fair value of unlisted financial assets measured at FVTOCI*

The fair value measurement of financial asset at FVTOCI were categorised within Level 3 of the fair value hierarchy, which required significant judgements and estimates by considering factors including, but not limited to the future operating performance and cash flow of the investee company and economic and market conditions in which the investee company operated etc. The fair value of the financial asset at FVTOCI will be revised upward or downward where future performance are different from previous forecast. The fair value of the financial asset at FVTOCI and corresponding significant unobservable input of the valuation are disclosed in Note 42(f).

(vii) *Useful lives of intangible assets*

The Group's management determines the estimated useful lives and related amortisation charges for the Group's intangible assets with reference to the estimated periods that the Group intends to derive future economic benefits from the use of these assets. Management will revise the amortisation charges where useful lives are different to that of previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore amortisation expense in future periods.

## 6. SEGMENT INFORMATION

### Operating segments

The Group is principally engaged in provision of content marketing services, digital marketing services, public relations event planning services, media advertising services and SaaS interactive marketing services in the PRC.

HKFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to segments and to assess their performance.

The information reported to the directors of the Company, who are the chief operating decision makers, for the purpose of resource allocation and performance assessment, does not contain discrete operating segment financial information, and the Directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

### Geographical information

Substantially all of the Group's revenues from external customers during the Track Record Period were attributed to the PRC, and is based on the location in which the relevant Group's activities which generated such revenues were carried out.

The geographical location of non-current assets is based on the physical location of the assets. As at 31 December 2019, 2020, 2021 and 30 April 2022, all of the Group's non-current assets are located in the PRC.

**Information about major customers**

Revenue attributed from customers that accounted for 10% or more of the Group's total revenue during the Track Record Period are as follows:

	Year ended 31 December			Four months ended 30 April	
	2019 RMB'000	2020 RMB'000	2021 RMB'000	2021 RMB'000	2022 RMB'000
Customer A	N/A	N/A	N/A	N/A	16,411
Customer B	N/A	N/A	N/A	N/A	16,239
	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>32,650</u>

**7. REVENUE**

Revenue represents the net invoiced value of services rendered and earned by the Group.

	Year ended 31 December			Four months ended 30 April	
	2019 RMB'000	2020 RMB'000	2021 RMB'000	2021 RMB'000	2022 RMB'000
Content marketing services	249,175	178,051	188,164	20,372	82,546
Digital marketing services	62,972	73,123	87,950	30,757	24,959
Public relations event planning services	42,870	39,428	25,434	5,866	3,858
Media advertising services	36,021	17,775	41,171	13,224	23,493
SaaS interactive marketing services	–	–	10,581	–	8,951
	<u>391,038</u>	<u>308,377</u>	<u>353,300</u>	<u>70,219</u>	<u>143,807</u>
<b>Timing of revenue recognition</b>					
At a point in time	–	–	10,401	–	8,312
Transferred over time	<u>391,038</u>	<u>308,377</u>	<u>342,899</u>	<u>70,219</u>	<u>135,495</u>
	<u>391,038</u>	<u>308,377</u>	<u>353,300</u>	<u>70,219</u>	<u>143,807</u>

The Group has applied the practical expedient to its sales contracts for content marketing services, digital marketing services, public relations event planning services, media advertising services and SaaS interactive marketing services and therefore the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for content marketing services, digital marketing services, public relations event planning services, media advertising services and SaaS interactive marketing services that had an original expected duration of one year or less.

## 8. OTHER REVENUE

	Year ended 31 December			Four months ended 30 April	
	2019 RMB'000	2020 RMB'000	2021 RMB'000	2021 RMB'000	2022 RMB'000
Government grants ( <i>Note i</i> )	4,922	3,349	3,092	651	2
Bank interest income	940	2,190	1,550	647	568
Additional value added tax ("VAT") input deduction ( <i>Note ii</i> )	489	959	3,815	1,731	1,179
Gain on early termination of lease	–	–	29	29	–
Others	23	76	19	17	5
	<u>6,374</u>	<u>6,574</u>	<u>8,505</u>	<u>3,075</u>	<u>1,754</u>

Notes:

- (i) Government grants mainly represent grants received from the PRC local government authority as subsidies to the Group for:
- (a) various phases achieved in preparation for listing in Shenzhen Stock Exchange during 2019;
  - (b) enhancement of high quality development in culture and creative industries; and
  - (c) sustainable business development with high-technology and advanced technology.
- (ii) Additional VAT input deduction were recognised in profit or loss due to the VAT reform. In accordance with VAT Reformation Article No. 39, the Group is eligible for VAT credits of 10% additional VAT input deduction from 1 April 2019 to 31 December 2022 upon meeting all applicable criteria.

## 9. OTHER GAINS AND LOSSES

	Year ended 31 December			Four months ended 30 April	
	2019 RMB'000	2020 RMB'000	2021 RMB'000	2021 RMB'000	2022 RMB'000
Gain on written-back of trade payables	–	–	1,415	–	–
Exchange losses, net	–	–	–	–	(2,717)
Others	–	–	(6)	–	–
	<u>–</u>	<u>–</u>	<u>1,409</u>	<u>–</u>	<u>(2,717)</u>

## 10. FINANCE COSTS

	Year ended 31 December			Four months ended 30 April	
	2019 RMB'000	2020 RMB'000	2021 RMB'000	2021 RMB'000	2022 RMB'000
Interest expenses on bank borrowings	27	684	3,459	1,433	5
Interest expenses on loan from third parties	–	–	–	–	1,450
Interest expenses on loan from a shareholder	–	–	–	–	810
Imputed interest expenses on convertible bonds	–	–	–	–	1,834
Interest expenses on lease liabilities	541	406	328	89	111
	<u>568</u>	<u>1,090</u>	<u>3,787</u>	<u>1,522</u>	<u>4,210</u>

## 11. PROFIT BEFORE INCOME TAX EXPENSE

The Group's operating profit is arrived at after charging:

	Year ended 31 December			Four months ended 30 April	
	2019 RMB'000	2020 RMB'000	2021 RMB'000	2021 RMB'000	2022 RMB'000
Auditors' remuneration	–	–	–	–	–
Amortisation of intangible assets included in (Note 20):					
– Administrative expenses	38	37	32	12	9
– Cost of revenue	–	–	6,241	–	3,881
– Selling and marketing expenses	99	88	81	32	21
– Research and development costs	–	–	136	–	94
	<u>137</u>	<u>125</u>	<u>6,490</u>	<u>44</u>	<u>4,005</u>
Cost of revenue (Note)	261,691	233,735	238,764	50,002	97,714
Cost of inventories recognised as expenses	28,355	21,793	10,292	2,275	1,773
Depreciation charged:					
– Property, plant and equipment (Note 18)	1,969	1,566	1,033	502	211
– Right-of-use assets (Note 19)	3,364	3,669	2,893	1,095	958
Employee costs (Note 12)	20,341	21,604	20,459	5,786	7,949
Listing expenses – Hong Kong Exchanges and Clearing Limited (“HKEX”)	–	–	8,655	–	5,404
Provision of impairment loss recognised on trade receivables, net	3,667	11,480	5,758	7,839	8,774
Research costs	–	–	4,737	949	2,857
Short-term leases expenses	6,458	7,910	4,140	201	418
	<u>6,458</u>	<u>7,910</u>	<u>4,140</u>	<u>201</u>	<u>418</u>

Note:

Cost of revenue for the years ended 31 December 2019, 2020, 2021 and the four months ended 30 April 2021 and 2022 includes RMB5,855,000, RMB6,310,000, RMB5,117,000, RMB1,254,000 (unaudited) and RMB2,436,000 of employee costs, RMB6,012,000, RMB7,517,000, RMB3,898,000, RMB160,000 (unaudited) and RMB391,000 of short-term leases expenses, RMB28,355,000, RMB21,793,000, RMB10,292,000, RMB2,275,000 (unaudited) and RMB1,773,000 of costs of inventories recognised as expenses, which are also included in the respective total amounts disclosed above for each of these types of expenses respectively.

## 12. EMPLOYEE COSTS

	Year ended 31 December			Four months ended 30 April	
	2019	2020	2021	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				<i>(Unaudited)</i>	
Employee costs (including directors' emoluments ( <i>Note 14</i> )) comprise:					
Wages and salaries	16,860	19,942	17,489	5,015	7,216
Contributions to retirement benefits scheme	1,517	1,048	1,717	533	627
Other employee benefits	1,964	614	1,253	238	106
	<u>20,341</u>	<u>21,604</u>	<u>20,459</u>	<u>5,786</u>	<u>7,949</u>

## 13. RETIREMENT BENEFITS SCHEMES

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit plan operated by the government of the PRC. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

## 14. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS

## (i) Directors' remuneration

Directors' emoluments disclosed pursuant to the Listing Rules and section 78(1) of Schedule 11 to the Hong Kong Companies Ordinance, Cap. 622 for the Track Record Period are as follows:

	Note	Year ended 31 December 2019			Total emoluments RMB'000
		Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Contributions to retirement benefits scheme RMB'000	
<b>Executive directors</b>					
Mr. Liu	(i)	-	797	23	820
Ms. Qu Shuo	(ii)	-	-	-	-
Ms. Huang Tingting	(iii)	-	747	10	757
Mr. Chen Shancheng	(iv)	-	505	6	511
Mr. Chen Zeming	(v)	-	346	11	357
		<u>-</u>	<u>2,395</u>	<u>50</u>	<u>2,445</u>
<b>Independent non-executive directors</b>					
Ms. Wang Yingbin	(vi)	-	-	-	-
Ms. Wong Yan Ki, Angel	(vii)	-	-	-	-
Mr. Tian Tao	(viii)	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>-</u>	<u>2,395</u>	<u>50</u>	<u>2,445</u>



		Year ended 31 December 2020			
		Fees	Salaries, allowances and benefits in kind	Contributions to retirement benefits scheme	Total emoluments
Note		RMB'000	RMB'000	RMB'000	RMB'000
<b>Executive directors</b>					
	(i)	-	880	39	919
	(ii)	-	-	-	-
	(iii)	-	734	5	739
	(iv)	-	729	5	734
	(v)	-	278	6	284
		-	2,621	55	2,676
<b>Independent non-executive directors</b>					
	(vi)	-	-	-	-
	(vii)	-	-	-	-
	(viii)	-	-	-	-
		-	-	-	-
		-	2,621	55	2,676
<b>Year ended 31 December 2021</b>					
		Fees	Salaries, allowances and benefits in kind	Contributions to retirement benefits scheme	Total emoluments
Note		RMB'000	RMB'000	RMB'000	RMB'000
<b>Executive directors</b>					
	(i)	-	845	116	961
	(ii)	-	362	11	373
	(iii)	-	812	10	822
	(iv)	-	790	10	800
	(v)	-	304	11	315
		-	3,113	158	3,271
<b>Independent non-executive directors</b>					
	(vi)	-	-	-	-
	(vii)	-	-	-	-
	(viii)	-	-	-	-
		-	-	-	-
		-	3,113	158	3,271

Four months ended 30 April 2021 (Unaudited)					
		Salaries, allowances and benefits in kind	Contributions to retirement benefits scheme	Total emoluments	
Note	Fees RMB'000	RMB'000	RMB'000	RMB'000	
<b>Executive directors</b>					
Mr. Liu	(i)	-	320	39	359
Ms. Qu Shuo	(ii)	-	103	3	106
Ms. Huang Tingting	(iii)	-	274	3	277
Mr. Chen Shancheng	(iv)	-	267	3	270
Mr. Chen Zeming	(v)	-	95	4	99
		-	1,059	52	1,111
<b>Independent non-executive directors</b>					
Ms. Wang Yingbin	(vi)	-	-	-	-
Ms. Wong Yan Ki, Angel	(vii)	-	-	-	-
Mr. Tian Tao	(viii)	-	-	-	-
		-	-	-	-
		-	1,059	52	1,111

Four months ended 30 April 2022					
		Salaries, allowances and benefits in kind	Contributions to retirement benefits scheme	Total emoluments	
Note	Fees RMB'000	RMB'000	RMB'000	RMB'000	
<b>Executive directors</b>					
Mr. Liu	(i)	-	320	38	358
Ms. Qu Shuo	(ii)	-	165	4	169
Ms. Huang Tingting	(iii)	-	243	4	247
Mr. Chen Shancheng	(iv)	-	267	4	271
Mr. Chen Zeming	(v)	-	115	4	119
		-	1,110	54	1,164
<b>Independent non-executive directors</b>					
Ms. Wang Yingbin	(vi)	-	-	-	-
Ms. Wong Yan Ki, Angel	(vii)	-	-	-	-
Mr. Tian Tao	(viii)	-	-	-	-
		-	-	-	-
		-	1,110	54	1,164

Notes:

- (i) Mr. Liu was appointed as an executive director on 10 June 2021.
- (ii) Ms. Qu Shuo was appointed as an executive director on 22 December 2021.
- (iii) Ms. Huang Tingting was appointed as an executive director on 22 December 2021.
- (iv) Mr. Chen Shancheng was appointed as an executive director on 22 December 2021.
- (v) Mr. Chen Zeming was appointed as an executive director on 22 December 2021.
- (vi) Ms. Wang Yingbin was appointed as an independent non-executive director on 12 October 2022.
- (vii) Ms. Wong Yan Ki, Angel was appointed as an independent non-executive director on 12 October 2022.
- (viii) Mr. Tian Tao was appointed as an independent non-executive director on 12 October 2022.

During the Track Record Period, none of the directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the directors as an inducement to join or upon joining the Group, or as compensation for loss of office.

**(ii) Five highest paid individuals**

The five highest paid individuals of the Group included 3, 3, 3, 3, 4 directors for the years ended 31 December 2019, 2020, 2021 and four months ended 30 April 2021 (unaudited) and 2022, whose emoluments are reflected in Note 14(i).

The analysis of the emolument of the remaining 2, 2, 2, 2, 1 highest paid individuals for the years ended 31 December 2019, 2020, 2021 and four months ended 30 April 2021 (unaudited) and 2022, respectively, are set out below:

	Year ended 31 December			Four months ended 30 April	
	2019 RMB'000	2020 RMB'000	2021 RMB'000	2021 RMB'000 (Unaudited)	2022 RMB'000
Salaries and other benefits	1,247	846	820	283	180
Contributions to retirement benefits scheme	15	8	21	6	4
	<u>1,262</u>	<u>854</u>	<u>841</u>	<u>289</u>	<u>184</u>

The number of non-director highest paid individuals whose remuneration fell within the following band is as follows:

	Year ended 31 December			Four months ended 30 April	
	2019	2020	2021	2021 (Unaudited)	2022
Nil to HKD1,000,000	1	2	2	2	1
HKD1,000,001 to HKD1,500,000	1	-	-	-	-
	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

During the Track Record Period, none of the five highest paid individuals waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office.

(iii) **Senior management emolument band**

The number of senior management whose remuneration fell within the following band is as follows:

	Year ended 31 December			Four months ended	
	2019	2020	2021	2021	2022
				30 April (Unaudited)	
Nil to HKD1,000,000	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>4</u>

15. **INCOME TAX EXPENSE**

The amount of income tax expense in the consolidated statements of profit or loss and other comprehensive income represents:

	Year ended 31 December			Four months ended	
	2019	2020	2021	2021	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				30 April (Unaudited)	
Current tax – PRC Enterprise Income Tax (the “PRC EIT”)					
– for the year/period	17,990	8,344	14,802	3,450	6,052
– under-provision in prior years/periods	–	–	16	16	–
Deferred tax ( <i>Note 30</i> )					
– for the year/period	<u>581</u>	<u>(3,184)</u>	<u>(191)</u>	<u>(2,167)</u>	<u>(2,223)</u>
Income tax expense	<u>18,571</u>	<u>5,160</u>	<u>14,627</u>	<u>1,299</u>	<u>3,829</u>

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and BVI, the Company incorporated in the Cayman Islands and the Company's subsidiary incorporated in BVI are not subject to any income tax.

Hong Kong Profits Tax for the Company's subsidiary incorporated in Hong Kong has been provided at the rate of 16.5% on the estimated assessable profits.

Pursuant to the income tax rules and regulations of the PRC, the provision for PRC income tax of the subsidiaries of the Group is calculated based on the statutory tax rate of 25%, except for the below subsidiaries, which are entitled to a preferential tax rate according to the Enterprise Income Tax Preference Policies issued by the State Administration of Taxation.

According to “Notice of the Ministry of Finance and the State Administration of Taxation on Preferential Enterprise Income Tax Policies for Xinjiang Kashi and Huoerguosi”, a subsidiary of the Group located in Xinjiang, the PRC was entitled to the exemption from the EIT for 5 years since it started its operation in 2016. According to the approval from the PRC government, such exemption was ended at 31 December 2020.

According to “Announcement of Continuing the Enterprise Income Tax Policies for the Large-Scale Development of Western China”, the subsidiary of the Group located in Xinjiang was entitled to a preferential tax rate of 15% since 1 January 2021.

According to “Notice on the implementation of inclusive tax reduction and exemption policies for small and micro enterprises” and before 1 January 2021, for certain subsidiaries of the Group located in the PRC, if their annual taxable profits do not exceed RMB1 million, only 25% of such amount is taxable with a tax rate of 20% ; while if their annual taxable profits do exceed RMB1 million but less than RMB3 million, only 50% of such amount is taxable with a tax rate of 20%. However, if their annual taxable profits do exceed RMB3 million, the whole amount will be taxable at a tax rate of 25%. And since 1 January 2021, if their annual taxable profits do not exceed RMB1 million, only 12.5% of such amount is taxable at 20%; while if their annual taxable profits do exceed RMB1 million but less than RMB3 million, only 50% of such amount is taxable with a tax rate of 20%. However, if their annual taxable profits do exceed RMB3 million, the whole amount will be taxable at the tax rate of 25%.

According to “Notice of Preferential Income Tax Policies for Enterprises in Hainan Free Trade Port”, a subsidiary of the Group located in Hainan, the PRC was entitled to a preferential tax rate of 15%.

The income tax expense for the Track Record Period can be reconciled to the profit before income tax expense per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December			Four months ended 30 April	
	2019	2020	2021	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Profit before income tax expense	<u>98,595</u>	<u>36,944</u>	<u>79,368</u>	<u>6,040</u>	<u>19,089</u>
Tax calculated at PRC statutory tax rate of 25%	24,649	9,235	19,842	1,510	4,773
Effect of different tax rates of subsidiaries operating in other jurisdictions	-	-	-	-	1,110
Expenses not deductible for tax purposes	598	510	925	19	144
Tax incentives for research and development expenses available for subsidiaries incorporated in the PRC	-	-	(852)	(178)	(536)
Effect of tax concession granted to PRC subsidiaries	(6,677)	(4,207)	(5,381)	(68)	(1,948)
Effect of tax losses not recognised	1	1	177	-	286
Under-provision in prior years/periods	-	-	16	16	-
Change in applicable tax rate	-	(379)	-	-	-
Income tax expense	<u>18,571</u>	<u>5,160</u>	<u>14,627</u>	<u>1,299</u>	<u>3,829</u>

The weighted average applicable tax rate was 18.84%, 13.97%, 18.43%, 21.51% and 20.06% for the years ended 31 December 2019, 2020, 2021 and four months ended 30 April 2021 (unaudited) and 2022 respectively.

## 16. DIVIDENDS

No dividend has been paid or declared by the Company since its incorporation.

## 17. EARNINGS PER SHARE

No earnings per share information is presented as its inclusion, for the purpose of the Historical Financial Information, is not considered meaningful due to the Reorganisation as disclosed in Note 1.

## 18. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement RMB'000	Furniture and equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
<b>Cost</b>				
At 1 January 2019	5,664	1,794	1,913	9,371
Additions	–	77	–	77
At 31 December 2019	5,664	1,871	1,913	9,448
Additions	–	77	–	77
At 31 December 2020	5,664	1,948	1,913	9,525
Additions	98	213	–	311
At 31 December 2021	5,762	2,161	1,913	9,836
Additions	–	74	–	74
At 30 April 2022	<u>5,762</u>	<u>2,235</u>	<u>1,913</u>	<u>9,910</u>
<b>Accumulated depreciation and impairment</b>				
At 1 January 2019	1,966	999	344	3,309
Charged during the year	1,428	314	227	1,969
At 31 December 2019	3,394	1,313	571	5,278
Charged during the year	1,104	235	227	1,566
At 31 December 2020	4,498	1,548	798	6,844
Charged during the year	617	189	227	1,033
At 31 December 2021	5,115	1,737	1,025	7,877
Charged during the period	80	54	77	211
At 30 April 2022	<u>5,195</u>	<u>1,791</u>	<u>1,102</u>	<u>8,088</u>
<b>Net book value</b>				
At 30 April 2022	<u>567</u>	<u>444</u>	<u>811</u>	<u>1,822</u>
At 31 December 2021	<u>647</u>	<u>424</u>	<u>888</u>	<u>1,959</u>
At 31 December 2020	<u>1,166</u>	<u>400</u>	<u>1,115</u>	<u>2,681</u>
At 31 December 2019	<u>2,270</u>	<u>558</u>	<u>1,342</u>	<u>4,170</u>

## 19. LEASES

**The Group as a lessee**

The Group has lease contracts for property and buildings used in its operations. Leases of the property and buildings generally have lease terms of 3 to 8 years.

*(a) Right-of-use assets*

The carrying amounts of the Group's right-of-use assets and the movements during the Track Record Period are as follows:

	<b>Total</b> RMB'000
At 1 January 2019	11,599
Commencement of lease	1,572
Depreciation for the year	<u>(3,364)</u>
At 31 December 2019	9,807
Depreciation for the year	<u>(3,669)</u>
At 31 December 2020	6,138
Commencement of lease	571
Effect of lease modification	4,247
Depreciation	(2,893)
Early termination of lease	<u>(786)</u>
At 31 December 2021	7,277
Commencement of lease	13
Depreciation for the period	<u>(958)</u>
At 30 April 2022	<u><u>6,332</u></u>

*(b) Lease liabilities*

	<b>As at 31 December</b>			<b>As at</b>
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>30 April</b>
	RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount at beginning of year/period	11,284	9,773	6,018	6,925
Commencement of lease	1,572	–	571	13
Effect of lease modification	–	–	4,247	–
Early termination of lease	–	–	(815)	–
Lease payments	(3,624)	(4,161)	(3,424)	(370)
Interest expense	541	406	328	111
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Carrying amount at end of year/period	<u>9,773</u>	<u>6,018</u>	<u>6,925</u>	<u>6,679</u>



Future lease payments are due as follows:

	Future lease payments RMB'000	Interest RMB'000	Present value RMB'000
<b>At 31 December 2019</b>			
Not later than one year	4,161	406	3,755
Later than one year and not later than two years	4,768	362	4,406
Later than two years and not later than five years	1,654	42	1,612
	<u>10,583</u>	<u>810</u>	<u>9,773</u>
<b>At 31 December 2020</b>			
Not later than one year	2,786	233	2,553
Later than one year and not later than two years	3,636	171	3,465
	<u>6,422</u>	<u>404</u>	<u>6,108</u>
<b>At 31 December 2021</b>			
Not later than one year	3,180	273	2,907
Later than one year and not later than two years	3,283	124	3,159
Later than two years and not later than five years	697	61	636
Later than five years	237	14	223
	<u>7,397</u>	<u>472</u>	<u>6,925</u>
<b>At 30 April 2022</b>			
Not later than one year	3,215	225	2,990
Later than one year and not later than two years	3,304	72	3,232
Later than two years and not later than five years	313	54	259
Later than five years	208	10	198
	<u>7,040</u>	<u>361</u>	<u>6,679</u>

The present value of future lease payments are analysed as:

	As at 31 December			As at 30 April 2022
	2019 RMB'000	2020 RMB'000	2021 RMB'000	RMB'000
Current liabilities	3,755	2,553	2,907	2,990
Non-current liabilities	6,018	3,465	4,018	3,689
	<u>9,773</u>	<u>6,018</u>	<u>6,925</u>	<u>6,679</u>

## 20. INTANGIBLE ASSETS

	Computer software RMB'000	Licences RMB'000	Total RMB'000
<b>Cost</b>			
At 1 January 2019 and 31 December 2019	727	–	727
Additions			
– Externally acquired	32	–	32
At 31 December 2020	759	–	759
Additions			
– Externally acquired	70,462	23,321	93,783
At 31 December 2021	71,221	23,321	94,542
Additions			
– Externally acquired	8,491	–	8,491
At 30 April 2022	79,712	23,321	103,033
<b>Accumulated amortisation and impairment</b>			
At 1 January 2019	180	–	180
Charged during the year	137	–	137
At 31 December 2019	317	–	317
Charged during the year	125	–	125
At 31 December 2020	442	–	442
Charged during the year	3,769	2,721	6,490
At 31 December 2021	4,211	2,721	6,932
Charged during the period	2,450	1,555	4,005
At 30 April 2022	6,661	4,276	10,937
<b>Net book value</b>			
At 30 April 2022	73,051	19,045	92,096
At 31 December 2021	67,010	20,600	87,610
At 31 December 2020	317	–	317
At 31 December 2019	410	–	410

The Group's computer software with carrying amount of RMB410,000, RMB317,000, RMB67,010,000 and RMB73,051,000 as at 31 December 2019, 2020, 2021 and 30 April 2022 will be fully amortised in 4.92 years, 3.92 years, 9.75 years and 9.67 years, respectively.

The Group's licences with carrying amount of RMB20,600,000 and RMB19,045,000 as at 31 December 2021 and 30 April 2022 will be fully amortised in 4.42 years and 4.08 years, respectively.

## 21. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December			As at
	2019	2020	2021	30 April
	RMB'000	RMB'000	RMB'000	2022
Equity instruments in unlisted companies measured at FVTOCI				RMB'000
– Xiamen Many Idea Vision Culture Media Co., Ltd.* (“Many Idea Vision Culture”) (廈門多想視界文化傳媒有限公司)	2,360	2,691	–	–
– Xiamen Many Idea Vision Advertising Co., Ltd.* (“Many Idea Vision Advertising”) (廈門多想視界廣告有限公司)	2,349	2,531	–	–
	<u>4,709</u>	<u>5,222</u>	<u>–</u>	<u>–</u>

As at December 2019 and 2020, the balances represented the unlisted equity investments held by Xiamen Many Idea in Many Idea Vision Culture of 9.0909% and 8.7802% and Xiamen Many Idea Vision Advertising of 9.0909% and 9.0909% respectively, both of which were companies established in the PRC. During the year ended 31 December 2021 and prior to the completion of the Business Transfer on 1 December 2021 (as disclosed in Note 40), the shareholdings in Many Idea Vision Culture was increased to 17.0729%. As a result of the Business Transfer, the unlisted equity investments were treated as deemed distribution of asset. As a result, the balances were nil as at 31 December 2021. These investments were not accounted for under the equity method as Xiamen Many Idea does not have the power to participate in their operating and financial policy decisions, and there is lack of any direct or indirect involvement at their board level.

The unlisted equity investments were irrevocably designated at FVTOCI as Xiamen Many Idea considers these investments to be strategic in nature.

Further details on the Group's fair value measurement are set out in Note 42(f).

\* *English names of the unlisted equity investments are translated directly from their corresponding official Chinese names.*

## 22. TRADE RECEIVABLES

	As at 31 December			As at
	2019	2020	2021	30 April
	RMB'000	RMB'000	RMB'000	2022
Trade receivables	148,103	176,128	168,857	237,078
Less: Provision for impairment loss recognised	<u>(8,551)</u>	<u>(20,031)</u>	<u>(21,387)</u>	<u>(30,161)</u>
	<u>139,552</u>	<u>156,097</u>	<u>147,470</u>	<u>206,917</u>

The Group's trading term with customers are mainly on credit. The credit terms are generally 180 days.

An ageing analysis, based on the date of rendering services, which approximates the respective revenue recognition dates (before impairment), as of the end of each reporting period is as follows:

	As at 31 December			As at
	2019	2020	2021	30 April
	RMB'000	RMB'000	RMB'000	2022
1 to 6 months	124,078	115,074	109,019	160,606
More than 6 months but less than 12 months	16,750	37,592	38,991	49,491
More than 1 year but less than 2 years	4,671	16,990	15,582	21,716
More than 2 years	2,604	6,472	5,265	5,265
	<u>148,103</u>	<u>176,128</u>	<u>168,857</u>	<u>237,078</u>

Movement on the Group's provision for impairment on trade receivables are as follows:

	As at 31 December			As at
	2019	2020	2021	30 April
	RMB'000	RMB'000	RMB'000	2022
At the beginning of the year/period	4,884	8,551	20,031	21,387
Provision for impairment loss on trade receivables, net	3,667	11,480	5,758	8,774
Amounts written off as uncollectible	–	–	(4,402)	–
At the end of year/period	<u>8,551</u>	<u>20,031</u>	<u>21,387</u>	<u>30,161</u>

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 42(a).

## 23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Note	As at 31 December			As at
		2019	2020	2021	30 April
		RMB'000	RMB'000	RMB'000	2022
					RMB'000
<b>Current</b>					
Prepayments		6,885	15,261	43,969	32,917
Deposits		789	766	486	488
Value added tax recoverable		539	2,943	3,012	1,738
Interest receivables		267	1,762	533	1,094
Other receivables	a	103	90	174	201
Deferred listing expenses		–	–	1,847	3,021
		<u>8,583</u>	<u>20,822</u>	<u>50,021</u>	<u>39,459</u>
<b>Non-current</b>					
Deposits		<u>699</u>	<u>265</u>	<u>250</u>	<u>250</u>
		<u>699</u>	<u>265</u>	<u>250</u>	<u>250</u>
		<u>9,282</u>	<u>21,087</u>	<u>50,271</u>	<u>39,709</u>

Note:

Prepayments, deposits and other receivables were primarily denominated in RMB and their carrying amounts approximated to their fair values due to their short maturity at the reporting date. For the years ended 31 December 2019, 2020 and 2021 and four months ended 30 April 2022, there was no provision for impairment on deposits and other receivables.

- (a) Other receivables as at 31 December 2019, 2020 and 2021 and 30 April 2022 relates to counterparties for whom there were no recent history of default and do not have any past due amounts, and the loss allowance was assessed by management to be minimal. These balances are non-interest bearing and are expected to be realised upon their respective maturity dates.

## 24. CONTRACT COSTS

	As at 31 December			As at
	2019	2020	2021	30 April
	RMB'000	RMB'000	RMB'000	2022
				RMB'000
Contract costs	<u>–</u>	<u>–</u>	<u>84</u>	<u>59</u>

Contract costs capitalised as at 31 December 2021 and 30 April 2022 related to costs to fulfil contracts, resulted from customers entering into service agreements with the Group. Contract costs are recognised as part of "cost of revenue" in the profit or loss in the period in which revenue from the services is recognised. The balance of capitalised contract costs is expected to be realised with one year.

## 25. AMOUNTS DUE TO INVESTEES

	As at 31 December			As at
	2019	2020	2021	30 April
	RMB'000	RMB'000	RMB'000	2022
				RMB'000
<b>Current</b>				
Many Idea Vision Culture	-	2,300	-	-
Many Idea Vision Advertising	300	500	-	-
	<u>300</u>	<u>2,800</u>	<u>-</u>	<u>-</u>
<b>Non-current</b>				
Many Idea Vision Culture	2,300	-	-	-
Many Idea Vision Advertising	2,700	2,200	-	-
	<u>5,000</u>	<u>2,200</u>	<u>-</u>	<u>-</u>
	<u>5,300</u>	<u>5,000</u>	<u>-</u>	<u>-</u>

The amounts due to investees were non-trade in nature, unsecured, interest-free and repayable on or before 31 December 2022.

## 26. AMOUNT DUE TO A DIRECTOR

The amount due to a director is non-trade in nature, unsecured, interest-free and repayable on demand.

## 27. AMOUNTS DUE FROM/(TO) RELATED PARTIES

	As at 31 December			As at
	2019	2020	2021	30 April
	RMB'000	RMB'000	RMB'000	2022
				RMB'000
Xiamen Many Idea	-	-	(123,123)	26,637
Beijing Many Idea	-	-	(7,170)	-
	<u>-</u>	<u>-</u>	<u>(130,293)</u>	<u>26,637</u>

The amounts due from/(to) related parties are non-trade in nature, unsecured, interest-free and repayable on demand. The Company confirmed that the balances have been fully settled as at the Latest Practicable Date.

The balance as at 30 April 2022 arises from a number of customers of the Group continue to repay their outstanding amounts to Xiamen Many Idea, despite these customers have agreed with Xiamen Many Idea to transfer the right of debt collection to the Group by signing the tripartite agreement under the Business Transfer as disclosed in Note 40.

## 28. SHORT-TERM BANK DEPOSITS

	As at 31 December			As at
	2019	2020	2021	30 April
	RMB'000	RMB'000	RMB'000	2022
Short-term bank deposits	25,000	130,000	-	-

The effective interest rates of short term bank deposits is 2.25% per annum ("p.a."), ranged from 1.75% to 2.33% p.a., nil and nil respectively as at 31 December 2019, 2020, 2021 and 30 April 2022. These deposits have maturity period which range from 3 months to 1 year. The Group considered that the fair value of short term bank deposits is not materially different from their carrying amount because of short maturity period on their inception.

## 29. CASH AND CASH EQUIVALENTS

	As at 31 December			As at
	2019	2020	2021	30 April
	RMB'000	RMB'000	RMB'000	2022
Cash and bank balances	116,932	45,243	50,187	86,637

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

## 30. DEFERRED TAX ASSETS

	Tax losses	Allowance	Total
	RMB'000	for expected	RMB'000
		credit loss	
		RMB'000	
At 1 January 2019	956	1,131	2,087
Credited/(charged) to profit or loss for the year	(956)	375	(581)
At 31 December 2019 and 1 January 2020	-	1,506	1,506
Credited to profit or loss for the year	-	3,184	3,184
At 31 December 2020 and 1 January 2021	-	4,690	4,690
Credited to profit or loss for the year	-	191	191
At 31 December 2021 and 1 January 2022	-	4,881	4,881
Credited to profit or loss for the period	99	2,124	2,223
At 30 April 2022	99	7,005	7,104



## 31. TRADE PAYABLES

	As at 31 December			As at
	2019	2020	2021	30 April
	RMB'000	RMB'000	RMB'000	2022
Trade payables ( <i>Note (a)</i> )	22,286	19,015	20,470	60,145

*Note:*

- (a) An ageing analysis of trade payables as at the respective reporting dates, based on the invoice dates, is as follows:

	As at 31 December			As at
	2019	2020	2021	30 April
	RMB'000	RMB'000	RMB'000	2022
Within six months	20,811	15,209	19,582	46,438
More than 6 months but less than 12 months	765	143	14	12,833
More than 1 year but less than 2 years	4	2,930	198	198
More than 2 years	706	733	676	676
	<u>22,286</u>	<u>19,015</u>	<u>20,470</u>	<u>60,145</u>

The Group's trade payables are non-interest bearing and generally have payment terms of 30 to 90 days.

## 32. OTHER PAYABLES AND ACCRUALS

	As at 31 December			As at
	2019	2020	2021	30 April
	RMB'000	RMB'000	RMB'000	2022
Accrued salaries	3,025	3,401	2,957	2,139
Accrued expenses	790	1,012	145	21
Accrued listing expenses	–	–	5,612	3,181
Other tax payables	4,974	1,210	2,443	2,367
	<u>8,789</u>	<u>5,623</u>	<u>11,157</u>	<u>7,708</u>

Other payables and accruals are non-interest bearing and are expected to be realised within twelve months from the end of each reporting period.

## 33. BORROWINGS

	Note	As at 31 December			As at
		2019	2020	2021	30 April
		RMB'000	RMB'000	RMB'000	2022
					RMB'000
<b>Current</b>					
Bank loans, secured	<i>a</i>	–	44,841	–	–
Bank loan, unsecured	<i>b</i>	–	–	–	10,005
Loans from third parties, unsecured	<i>c</i>	–	–	–	48,870
Loan from a shareholder, unsecured	<i>d</i>	–	–	–	19,624
		<u>–</u>	<u>44,841</u>	<u>–</u>	<u>78,499</u>
Effective interest rate per annum		N/A	3.85% to 6.05%	N/A	4.50% to 17.06%

*Notes:*

- (a) As at 31 December 2021, the bank loans are secured by personal guarantee given by the Company's directors, Mr. Liu and Ms. Qu (Note 41) and are denominated in RMB;
- (b) As at 30 April 2022, the bank loan is unsecured and denominated in RMB;
- (c) As at 30 April 2022, the loans from third parties are unsecured and denominated in RMB; and
- (d) As at 30 April 2022, the loan from a shareholder is unsecured and denominated in USD.

At the end of each reporting period, total current and non-current borrowings were scheduled to repay as follows:

	As at 31 December			As at
	2019	2020	2021	30 April
	RMB'000	RMB'000	RMB'000	2022
				RMB'000
On demand or within one year	<u>–</u>	<u>44,841</u>	<u>–</u>	<u>78,499</u>

## 34. CONTRACT LIABILITIES

The contract liabilities mainly relate to the advance consideration received from customers. The following table shows the amounts of revenue recognised in the Track Record Period that were included in the contract liabilities at the beginning of each reporting period:

	Year ended 31 December			Four months ended
	2019	2020	2021	30 April 2022
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the year/period	1,901	1,163	3,276	15,410

Significant changes in the contract liability balances during the Track Record Period are as follows:

	As at 31 December			As at
	2019	2020	2021	30 April 2022
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year/period	(1,901)	(1,163)	(3,276)	(15,493)
Revenue recognised that was included in contract liabilities at the beginning of the year/period	1,901	1,163	3,276	15,410
Increase due to cash received, including amounts recognised as revenue during the year/period	(42,351)	(33,075)	(42,815)	(10,239)
Revenue recognised that was not included in contract liabilities at the beginning of the year/period	41,188	29,799	27,322	677
At the end of the year/period	(1,163)	(3,276)	(15,493)	(9,645)

## 35. CONVERTIBLE BONDS

During the four months ended 30 April 2022, the Company issued convertible bond 1 ("CB 1"), convertible bond 2 ("CB 2"), convertible bond 3 ("CB 3") and convertible bond 4 ("CB 4").

**CB 1**

On 26 January 2022, the Company issued 8% convertible bonds with the aggregate principal amount of US\$5,000,000 (equivalent to approximately RMB31,750,000). Each bond entitles the holder to convert them into Company's ordinary share at a conversion price of USD4.4569 per share, which is subject to adjustment on capitalisation issue of the Company and will mature on 25 January 2023.

CB 1 contains two components: liability component and conversion option derivative. The effective interest rate of the liability component on initial recognition is 18.29% per annum. A valuation on the conversion option derivative of the convertible bonds has been performed by an independent qualified valuer on the CB 1 issuance date and on 30 April 2022, and Black-Scholes option pricing model is used in the valuation.

**CB 2**

On 26 January 2022, the Company issued 8% convertible bonds with the aggregate principal amount of US\$1,000,000 (equivalent to approximately RMB6,350,000). Each bond entitles the holder to convert them into Company's ordinary share at a conversion price of USD4.4569 per share, which is subject to adjustment on capitalisation issue of the Company and will mature on 25 January 2023.

CB 2 contains two components: liability component and conversion option derivative. The effective interest rate of the liability component on initial recognition is 18.29% per annum. A valuation on the conversion option derivative of the convertible bonds has been performed by an independent qualified valuer on the CB 2 issuance date and on 30 April 2022, and Black-Scholes option pricing model is used in the valuation.

**CB 3**

On 24 January 2022, the Company issued 8% convertible bonds with the aggregate principal amount of US\$600,000 (equivalent to approximately RMB3,810,000). Each bond entitles the holder to convert them into Company's ordinary share at a conversion price of USD4.4682 per share, which is subject to adjustment on capitalisation issue of the Company and will mature on 23 January 2023.

CB 3 contains two components: liability component and conversion option derivative. The effective interest rate of the liability component on initial recognition is 17.81% per annum. A valuation on the conversion option derivative of the convertible bonds has been performed by an independent qualified valuer on the CB 3 issuance date and on 30 April 2022, and Black-Scholes option pricing model is used in the valuation.

**CB 4**

On 27 January 2022, the Company issued 8% convertible bonds with the aggregate principal amount of HK\$3,000,000 (equivalent to approximately RMB2,442,000). Each bond entitles the holder to convert them into Company's ordinary share at a conversion price of HK\$34.9293 per share, which is subject to adjustment on capitalisation issue of the Company and will mature on 26 January 2023.

CB 4 contains two components: liability component and conversion option derivative. The effective interest rate of the liability component on initial recognition is 18.12% per annum. A valuation on the conversion option derivative of the convertible bonds has been performed by an independent qualified valuer on the CB 4 issuance date and on 30 April 2022, and Black-Scholes option pricing model is used in the valuation.

**CB 1, CB 2, CB 3 and CB 4 ("All CBs")**

Following the release of results of the HK Listing committee hearing regarding the Company's listing application ("**Pre-listing Conversion Event**"), the holders of All CBs have the right to convert the whole of the outstanding principal amount of the CBs into shares of the Company at the corresponding conversion prices within three business days upon occurrence of such Pre-listing Conversion Event.

In the event that the Pre-listing Conversion Event does not take place and HK Listing becoming unconditional ("**Post-Listing Conversion Event**"), together with the Pre-Listing Conversion Event, the "**Conversion Event**", the holders of All CBs can convert the whole of the principal amount of the CBs into shares of the Company at the corresponding conversion prices.

The Conversion Event shall only trigger the conversion if and only if it occurs on or before the maturity date of the CBs and conversion shall take place in full at one time and no partial conversion shall be taken place.

Unless previously redeemed, converted, purchased or cancelled, each CB will be redeemed on maturity date at its principal amount with accrued and unpaid interest thereon on the maturity date.

The liability component and conversion option derivative recognised in the statement of financial position were as follows:

	<b>Liability component</b> <i>RMB'000</i>	<b>Conversion option derivative</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
At 1 January 2019, 2020, 2021 and 2022	–	–	–
Convertible bonds issued	40,511	3,841	44,352
Imputed interests	1,834	–	1,834
Fair value change	–	(759)	(759)
Exchange difference	1,771	–	1,771
	<u>44,116</u>	<u>3,082</u>	<u>47,198</u>
As at 30 April 2022	<u>44,116</u>	<u>3,082</u>	<u>47,198</u>

Further details on the Group's fair value measurement are set out in Note 42(f).

### 36. SHARE CAPITAL

	<b>Number</b>	<b>Amount</b> <i>HKD</i>	<b>Amount</b> <i>RMB</i>
Ordinary shares of par value of HKD0.0001 each			
<b>Authorised</b>			
On 10 June 2021 (date of incorporation), 31 December 2021, 1 January 2022 and 30 April 2022	<u>3,900,000,000</u>	<u>390,000</u>	<u>336,655</u>
<b>Issued and fully paid</b>			
On 10 June 2021 (date of incorporation)	1	–*	–*
Issue of shares	<u>42,293,668</u>	<u>4,229</u>	<u>3,464</u>
As at 31 December 2021 and 1 January 2022	42,293,669	4,229	3,464
Issue of shares	<u>2,461,841</u>	<u>246</u>	<u>200</u>
<b>As at 30 April 2022</b>	<u>44,755,510</u>	<u>4,475</u>	<u>3,664</u>

\* Represents amount less than RMB 1,000.

There was no share capital as at 1 January 2019 and 31 December 2019 and 2020 since the Company was not yet set up by then.

The Company was incorporated in the Cayman Islands under the Companies Act as an exempted company with limited liability on 10 June 2021 with authorised share capital of HKD390,000 divided into 3,900,000,000 shares of HKD0.0001 each. On the date of incorporation, 1 ordinary share of HKD0.0001 was allotted and issued at par by the Company. During the year ended 31 December 2021 and four months ended 30 April 2022, 42,293,668 and 2,461,841 ordinary shares of HKD0.0001 each were allotted and issued by the Company at par and at USD4.47 (equivalent to approximately RMB28.37), respectively.

## 37. RESERVES

## (a) The Group

Details of the movements in the reserves of the Group during the Track Record Period are set out in the consolidated statements of changes in equity.

## (b) The Company

The movement in the reserves of the Company from 10 June 2021 (date of incorporation) to 30 April 2022 is presented below:

	Share premium RMB'000	Accumulated losses RMB'000	Total RMB'000
As at 10 June 2021 (date of incorporation), 31 December 2021 and 1 January 2022	–	–	–
Issue of shares	69,720	–	69,720
Deemed capital contribution	1,029	–	1,029
Loss for the period	–	(5,797)	(5,797)
	<u>70,749</u>	<u>(5,797)</u>	<u>64,952</u>
As at 30 April 2022	<u>70,749</u>	<u>(5,797)</u>	<u>64,952</u>

## (c) The following describes the nature and purpose of each reserve within owner's equity:

Reserve	Description and purpose
Share premium	Share premium represents consideration received in excess of nominal value of the Company's share and deemed capital contribution from shareholders.
Statutory reserve	In accordance with the relevant PRC laws and regulations and articles of association, the PRC subsidiaries are required to transfer 10% of their net profit as determined in accordance with accounting rules and regulations to the statutory reserve until the reserve reaches 50% of the registered capital. The transfer to this reserve must be made before distributions to equity shareholders. This reserve can be utilised in setting off accumulated losses or increase capital and is non-distributable other than in event of liquidation.
Merger reserve	It represents the difference between the nominal value of shares issued by the Company and the aggregate fully paid registered capital of PRC subsidiaries acquired pursuant to the Group Reorganisation and additional capital contribution from controlling shareholders.
FVTOCI reserve (non-recycling)	Balance represents fair value reserve comprising the cumulative net change in the fair value of equity investment designated at FVTOCI under HKFRS 9 that are held at the end of each reporting period.
Retained earnings/ (accumulated losses)	Balance represents cumulative net profit and loss recognised in profit and loss.

## 38. NON-CONTROLLING INTERESTS

As at 31 December 2019 and 2020, Xiamen Many Idea and its wholly-owned subsidiaries, 83.12% owned subsidiaries of the Company, has material non-controlling interests ("NCI").

As at 31 December 2021 and 30 April 2022, Beijing Many Idea Cloud, 99% owned subsidiary of the Company, has immaterial NCI.

Summarised financial information in relation to the NCI of Xiamen Many Idea and its wholly-owned subsidiaries, before intra-group eliminations, is presented below:

	As at 31 December			Four months ended
	2019	2020	2021	30 April 2022
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	391,038	308,377	-	-
Expenses	(311,014)	(276,593)	-	-
Profit for the year	80,024	31,784	-	-
Other comprehensive (expense)/income	(2,687)	513	-	-
Total comprehensive income	<u>77,337</u>	<u>32,297</u>	<u>-</u>	<u>-</u>
Profit allocated to NCI	<u>13,508</u>	<u>5,365</u>	<u>-</u>	<u>-</u>
Cash flows from operating activities	59,143	(6,972)	-	-
Cash flows from investing activities	47,559	(104,713)	-	-
Cash flows from financing activities	(3,651)	39,996	-	-
Net cash inflows/(outflows)	<u>103,051</u>	<u>(71,689)</u>	<u>-</u>	<u>-</u>
	As at 31 December			As at
	2019	2020	2021	30 April 2022
	RMB'000	RMB'000	RMB'000	RMB'000
Current assets	290,067	352,162	-	-
Non-current assets	21,301	19,313	-	-
Current liabilities	(56,795)	(89,958)	-	-
Non-current liabilities	(11,018)	(5,665)	-	-
Net assets	<u>243,555</u>	<u>275,852</u>	<u>-</u>	<u>-</u>
Accumulated NCI	<u>41,112</u>	<u>46,564</u>	<u>-</u>	<u>-</u>



## 39. INVESTMENT IN A SUBSIDIARY

## The Company

	As at 31 December 2021 RMB'000	As at 30 April 2022 RMB'000
Unlisted investments, at cost	_*	_*
	<u>                    </u>	<u>                    </u>

\* Represents amount less than RMB1,000.

Particulars of the directly and indirectly held subsidiaries of the Company are set out on pages I-20 to I-22 of this report.

## 40. DEEMED DISTRIBUTIONS OF ASSETS TO AND ASSUMPTIONS OF LIABILITIES BY CONTROLLING SHAREHOLDERS

Pursuant to the business transfer agreement entered into between Xiamen Many Idea and Beijing Many Idea (collectively referred to as the "Transferor") and Xiamen Instant Interactive (as the "Transferee") on 30 November 2021, as part of the Group Reorganisation (the "Business Transfer"), the integrated marketing service business (including content marketing, SaaS interactive marketing, digital marketing, public relations event planning and media advertising) previously carried on by the Transferor was transferred to Transferee at a consideration of RMB370,000,000 and the transfer was completed on 1 December 2021. The designated assets and liabilities of the Transferor set out below were not transferred to Transferee as at 1 December 2021 and were treated as a deemed distribution of assets and assumption of liabilities to/by controlling shareholders in connection with the Group Reorganisation.

	RMB'000
Distribution of assets to and assumptions of liabilities by controlling shareholders:	
Financial assets at FVTOCI	62,558
Prepayment, deposits and other receivables	2,791
Income tax payables	(12,463)
Other payables and accruals	(53)
Amounts due to investees	(2,200)
Borrowings	(52,210)
	<u>                    </u>
	<u>                    </u>
	(1,577)

**41. RELATED PARTY DISCLOSURES****(a) Compensation of key management personnel**

The key management personnel of the Group represent directors and other senior management of the Group. Details of the remuneration paid to them during the Track Record Period are set out in Note 14 to the Historical Financial Information.

**(b) Balances with related parties**

Details of the Group's amounts due from/(to) a director and related parties are included in Notes 26 and 27.

**(c) Guarantees provided by related parties**

During the Track Record Period, directors of the Group provided personal guarantees to certain banks for general banking facilities granted to the Group (Note 33). All the personal guarantees were released as at 31 December 2021.

**42. FINANCIAL RISK MANAGEMENT**

The Group's principal financial assets are financial assets at fair value through other comprehensive income, trade receivables, deposits and other receivables, amounts due from related parties, short-term bank deposits and cash and cash equivalents that derive directly from its operations. Principal financial liabilities of the Group include trade payables, other payables and accruals, borrowings, lease liabilities, amount due to a director, amounts due to related parties, amounts due to investees and convertible bonds. The main purpose of these financial liabilities is to finance the Group's operations.

The Group has not issued and does not hold any financial instruments for trading purposes at the end of each reporting period. The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk and foreign currency risk. Generally, the Group utilises conservative strategies on its risk management. The Group's exposure to market risk is kept to minimum.

**(a) Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and deposits with banks.

The Group's customers are mainly reputable corporations and thus credit risk is considered to be low. Credit risk on other receivables is minimal as the Group performs ongoing credit evaluation on the financial condition of its debtors and tightly monitors the ageing of the receivable balances. Follow up action is taken in case of overdue balances. In addition, management reviews the recoverable amount of the receivables individually and collectively at each reporting date to ensure that adequate impairment losses are made for irrecoverable amounts. The credit policies have been followed by the Group during the Track Record Period and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

The Group applies the simplified approach to provide for expected credit losses as prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables from transactions that is within the scope of HKFRS 15. Management has assessed the risk of default by counterparties and Note 22 details the loss allowance provision that was recognised during the Track Record Period.

To measure the expected credit losses, trade receivables were grouped based on shared credit risk characteristics and the days past due. The provision is determined as follows:

	Not yet past due	Less than 6 months past due	Over 6 months but less than 12 months past due	Over 12 months but less than 18 months past due	Over 18 months but not more than 24 months past due	Over 24 months past due	Total
<b>As at 31 December 2019</b>							
Expected loss rate	1.28%	5.98%	41.82%	100.00%	100.00%	100.00%	5.77%
Gross carrying amount (RMB'000)	117,468	23,360	2,798	1,873	1,726	878	148,103
Loss allowance provision (RMB'000)	1,507	1,397	1,170	1,873	1,726	878	8,551
<b>As at 31 December 2020</b>							
Expected loss rate	1.96%	7.23%	40.52%	100.00%	100.00%	100.00%	11.37%
Gross carrying amount (RMB'000)	115,074	37,592	14,130	2,860	2,298	4,174	176,128
Loss allowance provision (RMB'000)	2,255	2,719	5,725	2,860	2,298	4,174	20,031
<b>As at 31 December 2021</b>							
Expected loss rate	3.71%	10.75%	42.94%	100.00%	100.00%	100.00%	12.67%
Gross carrying amount (RMB'000)	109,019	38,991	13,490	2,092	2,070	3,195	168,857
Loss allowance provision (RMB'000)	4,046	4,191	5,793	2,092	2,070	3,195	21,387
<b>As at 30 April 2022</b>							
Expected loss rate	3.72%	10.75%	42.95%	100.00%	100.00%	100.00%	12.72%
Gross carrying amount (RMB'000)	160,606	49,491	14,208	7,508	650	4,615	237,078
Loss allowance provision (RMB'000)	5,967	5,319	6,102	7,508	650	4,615	30,161

As at 31 December 2019, 2020, 2021 and 30 April 2022, the fair value of trade receivables approximated their carrying amounts. The maximum exposure to credit risk at the reporting date was the carrying value of each class of receivable mentioned above. The Group does not hold any collateral or other credit enhancement over these balances.

The Group had a concentration of credit risk as certain of the Group's trade receivables were due from the Group's five largest customers as detailed below.

	As at 31 December			As at
	2019	2020	2021	30 April
	RMB'000	RMB'000	RMB'000	2022
Five largest customers	35,750	33,592	68,667	83,477

The Group's major bank balances are deposited with banks with good reputation and with high credit-ratings assigned by international credit-rating agencies and hence management does not expect any losses from non-performance by these banks.

**(b) Liquidity risk**

In the management of liquidity risk, the Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants in order to maintain sufficient reserves of cash and adequate committed lines of funding from major banks to meet its liquidity requirements in the short and long term. The liquidity policies have been followed by the Group during the Track Record Period and are considered to have been effective in managing liquidity risk.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rates at the end of each reporting period.

	Interest rate	Carrying amount RMB'000	Total contractual undiscounted cash flow RMB'000	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000
<b>As at 31 December 2019</b>						
Trade payables	N/A	22,286	22,286	22,286	-	-
Other payables and accruals	N/A	3,815	3,815	3,815	-	-
Amounts due to investees	N/A	5,300	5,300	300	5,000	-
Lease Liabilities	4.92% – 5.36%	9,773	10,583	4,161	4,768	1,654
		41,174	41,984	30,562	9,768	1,654
<b>As at 31 December 2020</b>						
Trade payables	N/A	19,015	19,015	19,015	-	-
Other payables and accruals	N/A	4,413	4,413	4,413	-	-
Amounts due to investees	N/A	5,000	5,000	2,800	2,200	-
Borrowings	3.85% – 6.05%	44,841	46,369	46,369	-	-
Lease Liabilities	4.92% – 5.36%	6,018	6,422	2,786	3,636	-
		79,287	81,219	75,383	5,836	-

	Interest rate	Carrying amount RMB'000	Total contractual undiscounted cash flow RMB'000	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000
<b>As at 31 December 2021</b>							
Trade payables	N/A	20,470	20,470	20,470	-	-	-
Other payables and accruals	N/A	8,714	8,714	8,714	-	-	-
Amount due to a director	N/A	2	2	2	-	-	-
Amounts due to related parties	N/A	130,293	130,293	130,293	-	-	-
Lease Liabilities	4.92% – 5.36%	6,925	7,397	3,180	3,283	697	237
		<u>166,404</u>	<u>166,876</u>	<u>162,659</u>	<u>3,283</u>	<u>697</u>	<u>237</u>
<b>As at 30 April 2022</b>							
Trade payables	N/A	60,145	60,145	60,145	-	-	-
Other payables and accruals	N/A	5,341	5,341	5,341	-	-	-
Borrowings	4.50% – 17.06%	78,499	79,707	79,707	-	-	-
Convertible bonds — liability component	17.81% – 18.29%	44,116	48,927	48,927	-	-	-
Lease Liabilities	4.10% – 5.36%	6,679	7,040	3,215	3,304	313	208
		<u>194,780</u>	<u>201,160</u>	<u>197,335</u>	<u>3,304</u>	<u>313</u>	<u>208</u>

**(c) Interest rate risk**

Interest rate risk means the risk on fluctuation of fair value or future cash flows of financial instruments which arise from changes in interest rates. Floating interest rate instruments will result in the Group facing cash flow interest rate risk, and fixed interest rate instruments will result in the Group facing fair value interest rate risk.

Other than cash at bank in Note 29, the Group does not have significant interest-bearing assets. Any change in the interest rate promulgated by banks from time to time is not considered to have significant impact to the Group.

The Group's fair value interest-rate risk mainly arises from borrowings as disclosed in Note 33 and convertible bond as disclosed in Note 35. Borrowings and convertible bonds were issued at fixed rates which expose the Group to fair value interest-rate risk. The Group has no cash flow interest-rate risk as there are no borrowings which bear floating interest rates. The Group has not used any financial instruments to hedge potential fluctuations in interest rates.

The interest rates and terms of repayment of the Group's borrowings and convertible bonds are disclosed in Note 33 and Note 35.

**(d) Foreign currency risk**

The Group is exposed to foreign currency risk arising from various currency exposures, primarily with respect to the United States dollars ("USD") and Hong Kong Dollars ("HKD") as the Group's bank balances and convertible bonds are denominated in these currencies. The Group has not entered into any derivative instruments to hedge its foreign exchange exposures.

As at 31 December 2019, 2020, 2021 and 30 April 2022, if the USD had weakened/strengthened by 0.5% against the RMB with all other variables held constant, profit for the year/period and equity would have been nil, nil, nil and RMB321,000 higher/lower and RMB321,000 lower/higher respectively, mainly as a result of net foreign exchange losses/gains on translation of USD denominated bank balances and convertible bonds. The Group's management manages this risk by closely monitoring the exchange rate movement and changes in market conditions that may have a significant impact on the operations and financial performance.

**(e) Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholder and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. No changes in the objectives, policies or processes were made during the Track Record Period.

The Group monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. Total debt is calculated as borrowings, lease liabilities, amount due to a director, amounts due to related parties, amounts due to investees and convertible bonds. Capital includes equity attributable to owners of the Company.

	As at 31 December			As at
	2019	2020	2021	30 April
	RMB'000	RMB'000	RMB'000	2022
				RMB'000
Total debt	15,073	55,859	137,220	132,376
Equity attributable to the owners of the Company	<u>202,443</u>	<u>229,288</u>	<u>151,972</u>	<u>237,993</u>
Total debt and equity	<u><u>217,516</u></u>	<u><u>285,147</u></u>	<u><u>289,192</u></u>	<u><u>370,369</u></u>
Gearing ratio	<u>7%</u>	<u>20%</u>	<u>47%</u>	<u>36%</u>

**(f) Fair value*****Financial instruments not measured at fair value***

Financial instruments not measured at fair value include short-term bank deposits, cash and cash equivalents, trade receivables, deposits and other receivables, amounts due from/(to) a director/related parties/investees, trade payables, other payables and accruals, borrowings and liability portion of convertible bonds.

Due to their short term nature, the carrying value of short-term bank deposits and cash and cash equivalents, trade and other receivables, amounts due from/(to) a director/related parties/investees and trade payables, and other payables and accruals, borrowings and liability portion of convertible bonds approximates fair value.

The carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values as at 31 December 2019, 2020, 2021 and 30 April 2022.

*Financial instruments measured at fair value*

Financial instruments measured at fair value include financial assets at FVTOCI and conversion option derivatives of convertible bonds measured at FVTPL. The Group's financial instruments carried at fair value as at 31 December 2019, 2020, 2021 and 30 April 2022 are categorised by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's assets and liabilities that are measured at fair value as at 31 December 2019, 2020, 2021 and 30 April 2022.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
<b>31 December 2019</b>			
<i>Assets</i>			
Financial assets at FVTOCI	-	-	4,709
	<u>          </u>	<u>          </u>	<u>          </u>
<b>31 December 2020</b>			
<i>Assets</i>			
Financial assets at FVTOCI	-	-	5,222
	<u>          </u>	<u>          </u>	<u>          </u>
<b>31 December 2021</b>			
<i>Assets</i>			
Financial assets at FVTOCI	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>30 April 2022</b>			
<i>Liabilities</i>			
Conversion option derivative at FVTPL	-	-	(3,082)
	<u>          </u>	<u>          </u>	<u>          </u>

The financial asset at FVTOCI represent unlisted equity investments (Note 21). The fair value as at 31 December 2019 and 2020 is determined with reference to a valuation report issued by an independent valuation expert using cost approach. There is a change in valuation technique as at November 2021 (date of business transfer), as Many Idea Vision Culture and Many Idea Vision Advertising started their operations and generated revenue during the period ended 30 November 2021, the valuation technique changed from cost approach to market approach.



The determination of its fair value of financial assets at FVTOCI is based on certain parameters, including discount for lack of marketability and discount for lack of control which are unobservable. The significant unobservable inputs are shown as below:

	As at 31 December			As at
	2019	2020	2021	30 April 2022
Discount for lack of marketability	37.2%	33.1%	–	–
Discount for lack of control	22.8%	19.9%	–	–

Increased in discount for lack of marketability and discount for lack of control by 1% respectively would decrease the fair value of financial asset at FVTOCI by approximately RMB150,000 and RMB146,000 as at 31 December 2019 and 2020, whilst decrease in discount for lack of marketability and discount for lack of control by 1% respectively would increase the fair value of the financial asset at FVTOCI by approximately RMB152,000 and RMB149,000 as at 31 December 2019 and 2020.

The financial liabilities at FVTPL represent conversion option derivative portion of the convertible bonds (Note 35). The fair value is determined with reference to a valuation report issued by an independent valuation expert using Black-Scholes option pricing model.

The determination of the fair value of conversion option derivative portion of the convertible bonds is based on certain parameters including stock price and its volatility, exercise price, option life and risk-free interest rate, which are unobservable. The significant unobservable input is shown as below:

	As at 31 December			As at
	2019	2020	2021	30 April 2022
Volatility in stock price	–	–	–	58.4% to 58.6% (weighted average 58.5%)

Increased in volatility by 1% would decrease the fair value of financial liabilities at FVTPL by approximately RMB59,000 as at 30 April 2022, whilst decrease in volatility by 1% would increase the fair value of the financial liabilities at FVTPL by approximately RMB59,000 as at 30 April 2022.

Reconciliation for financial instruments carried at fair value based on significant unobservable inputs (Level 3) are as follows:

	As at 31 December			As at
	2019	2020	2021	30 April
	RMB'000	RMB'000	RMB'000	2022
				RMB'000
<i>Assets</i>				
At the beginning of the year/period	2,396	4,709	5,222	–
Additions	5,000	–	30,000	–
Fair value change recognised in other comprehensive income	(2,687)	513	27,336	–
Assumptions of liabilities by controlling shareholders ( <i>Note 40</i> )	–	–	(62,558)	–
	<u>–</u>	<u>–</u>	<u>(62,558)</u>	<u>–</u>
At the end of the year/period	<u>4,709</u>	<u>5,222</u>	<u>–</u>	<u>–</u>
<i>Liabilities</i>				
At the beginning of the year/period	–	–	–	–
Convertible bonds issued	–	–	–	3,841
Fair value change	–	–	–	(759)
	<u>–</u>	<u>–</u>	<u>–</u>	<u>(759)</u>
At the end of the year/period	<u>–</u>	<u>–</u>	<u>–</u>	<u>3,082</u>

#### 43. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

	As at 31 December			As at
	2019	2020	2021	30 April
	RMB'000	RMB'000	RMB'000	2022
				RMB'000
<b>Financial assets</b>				
<i>Financial assets at FVTOCI</i>	<u>4,709</u>	<u>5,222</u>	<u>–</u>	<u>–</u>
<i>Financial assets at amortised cost – non-current</i>				
Deposits	<u>699</u>	<u>265</u>	<u>250</u>	<u>250</u>
<i>Financial assets at amortised cost – current</i>				
Trade receivables	139,552	156,097	147,470	206,917
Deposits and other receivables	1,159	2,618	1,193	1,783
Amounts due from related parties	–	–	–	26,637
Short-term bank deposits	25,000	130,000	–	–
Cash and cash equivalents	<u>116,932</u>	<u>45,243</u>	<u>50,187</u>	<u>86,637</u>
	<u>282,643</u>	<u>333,958</u>	<u>198,850</u>	<u>321,974</u>
	<u>283,342</u>	<u>334,223</u>	<u>199,100</u>	<u>322,224</u>

	As at 31 December			As at
	2019	2020	2021	30 April
	RMB'000	RMB'000	RMB'000	2022
				RMB'000
<b>Financial liabilities</b>				
<i>Financial liabilities at FVTPL</i>				
Convertible bonds – conversion option derivative	-	-	-	3,082
<i>Financial liabilities at amortised costs – current</i>				
Trade payables	22,286	19,015	20,470	60,145
Other payables and accruals	3,815	4,413	8,714	5,341
Borrowings	-	44,841	-	78,499
Convertible bonds – liability component	-	-	-	44,116
Lease liabilities	3,755	2,553	2,907	2,990
Amount due to a director	-	-	2	-
Amounts due to related parties	-	-	130,293	-
Amounts due to investees	300	2,800	-	-
	<u>30,156</u>	<u>73,622</u>	<u>162,386</u>	<u>191,091</u>
<i>Financial liabilities at amortised costs – non-current</i>				
Lease liabilities	6,018	3,465	4,018	3,689
Amounts due to investees	5,000	2,200	-	-
	<u>11,018</u>	<u>5,665</u>	<u>4,018</u>	<u>3,689</u>
	<u>41,174</u>	<u>79,287</u>	<u>166,404</u>	<u>197,862</u>

#### 44. SUBSEQUENT EVENTS

There are no other significant events which took place subsequent to 30 April 2022.

#### 45. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of its subsidiaries in respect of any period subsequent to 30 April 2022.

The information set forth in this appendix does not form part of the Accountants' Report prepared by BDO Limited, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, and is included herein for illustrative purposes only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial information" in this document and the Accountants' Report set forth in Appendix I to this document.

#### (A) UNAUDITED PRO FORMA CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma financial information prepared in accordance with Rule 4.29 of the Listing Rules and Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants is for illustrative purpose only, and is set out herein to provide the prospective investors with further illustrative financial information about how the Global Offering might have affected the consolidated net tangible assets of the Group after the completion of the Global Offering as if the Global Offering had taken place on 30 April 2022. Because of its hypothetical nature, this unaudited pro forma financial information may not give a true picture of the consolidated net tangible assets of the Group had the Global Offering been completed on 30 April 2022 or at any future dates.

The following statement of unaudited pro forma consolidated net tangible assets of the Group is prepared on the basis of the notes set forth below, for the purpose of illustrating the effect of the Global Offering as if it had taken place on 30 April 2022. It has been prepared for illustrative purpose only and, because of its hypothetical nature, may not give a true picture of the financial position of the Group after the Global Offering or at any future dates.

	Consolidated net tangible assets of the Group attributable to owners of the Company as at 30 April 2022 RMB'000 (Note 1)	Estimated net proceeds from the Global Offering RMB'000 (Notes 2 & 4)	Unaudited pro forma consolidated net tangible assets of the Group RMB'000	Unaudited pro forma consolidated net tangible assets per Share	
				RMB (Note 3)	HK\$ (Note 4)
Based on Offer Price of HK\$1.70 per Share, after Downward Offer Price Adjustment of 10%	145,897	204,458	350,355	0.44	0.49
Based on Offer Price of HK\$1.88 per Share	145,897	229,240	375,137	0.47	0.52
Based on Offer Price of HK\$2.38 per Share	145,897	298,081	443,978	0.55	0.61

*Notes:*

1. The consolidated net tangible assets attributable to the owners of the Company as at 30 April 2022 is based on audited consolidated net assets attributable to the equity owners of the Company as at 30 April 2022 of RMB237,993,000 with adjustment for the intangible assets as at 30 April 2022 of RMB92,096,000, as extracted from the Accountants' Report set forth in Appendix I to the prospectus.
2. The estimated net proceeds from the Global Offering are based on 160,000,000 new Shares to be issued at the estimated offer price of HK\$1.88 and HK\$2.38 per Share, and also based on an Offer Price of HK\$1.70 per Offer Share after making a Downward Offer Price Adjustment of 10% below the low-end of the indicative Offer Price range, after deduction of the underwriting fees and other related expenses expected to be incurred by the Group subsequent to 30 April 2022 (excluding listing related expenses of approximately RMB14,059,000 already recognised in profit or loss prior to 30 April 2022) payable by the Group. No account has been taken of any Shares which may be issued upon the exercise of any options that may be granted under the Share Option Scheme.
3. The unaudited pro forma consolidated net tangible assets per Share is calculated based on 800,000,000 Shares in issue immediately following the completion of the Global Offering and the Capitalisation Issue assuming the Global Offering had been completed on 30 April 2022, but takes no account of any Shares which may be issued pursuant to the exercise of any options may be granted under the Share Option Scheme or any conversion of Shares pursuant to the Pre-HKIPO Loans or any Shares which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchase of Shares referred to in Appendix V to this prospectus.
4. For the purpose of this unaudited pro forma statement of adjusted net tangible assets, the balance stated in Renminbi are converted into Hong Kong dollars at the rate of RMB0.9058 to HK\$1.00. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.
5. No adjustment has been made to the unaudited pro forma consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 30 April 2022. Accordingly, the unaudited pro forma consolidated net tangible assets per Share as shown on page II-1 have not been adjusted to illustrate the effect of the conversion of Pre-IPO Loans (See note 35 to the Accountants' Report set out in Appendix I to this Document). Had such conversion of Pre-IPO Loans been completed on 30 April 2022, the calculation of market capitalisation will be based on 822,399,345 Shares with 160,000,000 Offer Shares that are expected to be issued immediately upon completion of the Global Offering and the Capitalisation Issue (assuming that the Pre-HKIPO Loans were converted into Shares and the Over-allotment Option and the options which may be granted under the Share Option Scheme are not exercised at all), the unaudited pro forma consolidated net tangible assets per Share would have been increased by HK\$0.06.

**(B) REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION**

*The following is the text of a report, prepared for inclusion in this document, received from the independent reporting accountant of the Group, BDO Limited, Certified Public Accountants, Hong Kong.*



Tel : +852 2218 8288  
Fax: +852 2815 2239  
www.bdo.com.hk

25<sup>th</sup> Floor Wing On Centre  
111 Connaught Road Central  
Hong Kong

電話 : +852 2218 8288  
傳真 : +852 2815 2239  
www.bdo.com.hk

香港干諾道中111號  
永安中心25樓

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the directors of Many Idea Cloud Holdings Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Many Idea Cloud Holdings Limited (the "**Company**") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of consolidated net tangible assets of the Company as at 30 April 2022 and related notes as set out on pages II-1 to pages II-5 of Appendix II of the Company's prospectus dated 28 October 2022 (the "**Prospectus**") in connection with the proposed initial public offering of the shares of the Company (the "**Proposed Public Offer**"). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described on pages II-1 to pages II-5 of Appendix II of the Prospectus.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Proposed Public Offer on the Company's consolidated financial position as at 30 April 2022 as if the Proposed Public Offer had taken place at 30 April 2022. As part of this process, information about the Company's consolidated financial position has been extracted by the directors of the Company from the Company's financial information for the year ended 30 April 2022, on which an accountants' report set out in Appendix I of the Prospectus has been published.

**Directors' Responsibility for the Unaudited Pro Forma Financial Information**

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Public Offer at 30 April 2022 would have been as presented.



A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the entity, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Company; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**BDO Limited**  
*Certified Public Accountants*  
Hong Kong

28 October 2022

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of our Company and of certain aspects of the Cayman Companies Act.

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on 10 June 2021 under the Cayman Companies Act. Our Company's constitutional documents consist of its Memorandum of Association and its Articles of Association.

## 1. MEMORANDUM OF ASSOCIATION

- (a) The Memorandum states, inter alia, that the liability of members of our Company is limited to the amount, if any, for the time being unpaid on the shares respectively held by them and that the objects for which our Company is established are unrestricted (including acting as an investment company), and that our Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided in section 27(2) of the Cayman Companies Act and in view of the fact that our Company is an exempted company that our Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of our Company carried on outside the Cayman Islands.
- (b) Our Company may by special resolution alter its Memorandum with respect to any objects, powers or other matters specified therein.

## 2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on 12 October 2022 with effect from the Listing Date. The following is a summary of certain provisions of the Articles:

### (a) Shares

#### (i) *Classes of shares*

The share capital of our Company consists of ordinary shares.

#### (ii) *Variation of rights of existing shares or classes of shares*

Subject to the Cayman Companies Act, if at any time the share capital of our Company is divided into different classes of shares, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths of the voting rights of the holders of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will mutatis mutandis

apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons holding or representing by proxy holding not less than one-third of the issued shares of that class and at any adjourned meeting two holders present in person or by proxy (whatever the number of shares held by them) shall be a quorum. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

*(iii) Alteration of capital*

Our Company may by ordinary resolution of its members:

- (i) increase its share capital by the creation of new shares;
- (ii) consolidate all or any of its capital into shares of larger amount than its existing shares;
- (iii) divide its shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as our Company in general meeting or as the directors may determine;
- (iv) subdivide its shares or any of them into shares of smaller amount than is fixed by the Memorandum; or
- (v) cancel any shares which, at the date of passing of the resolution, have not been taken and diminish the amount of its capital by the amount of the shares so cancelled.

Our Company may reduce its share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

*(iv) Transfer of shares*

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by the Hong Kong Stock Exchange or in such other form as the Board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.

Notwithstanding the foregoing, for so long as any shares are listed on the Hong Kong Stock Exchange, titles to such listed shares may be evidenced and transferred in accordance with the laws applicable to and the rules and regulations of the Hong Kong Stock Exchange that are or shall be applicable to such listed shares. The register of members in respect of its listed shares (whether the principal register or a branch register) may be kept by recording the particulars required by Section 40 of the Cayman Companies Act in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the rules and regulations of the Hong Kong Stock Exchange that are or shall be applicable to such listed shares.

The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of that share.

The Board may, in its absolute discretion, at any time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

The Board may decline to recognise any instrument of transfer unless a fee (not exceeding the maximum sum as the Hong Kong Stock Exchange may determine to be payable) determined by the Directors is paid to our Company, the instrument of transfer is properly stamped (if applicable), it is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended and the register closed on giving notice by advertisement in any newspaper or by any other means in accordance with the requirements of the Hong Kong Stock Exchange, at such times and for such periods as the Board may determine. The register of members must not be closed for periods exceeding in the whole thirty (30) days in any year. The period of thirty (30) days may be extended for a further period or periods not exceeding thirty (30) days in respect of any year if approved by members by ordinary resolution.

Subject to the above, fully paid shares are free from any restriction on transfer and free of all liens in favour of our Company.

*(v) Power of our Company to purchase its own shares*

Our Company is empowered by the Cayman Companies Act and the Articles to purchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of our Company subject to any applicable requirements imposed from time to time by the Hong Kong Stock Exchange.

Where our Company purchases for redemption a redeemable share, purchases not made through the market or by tender must be limited to a maximum price determined by our Company in general meeting. If purchases are by tender, tenders must be made available to all members alike.

The Board may accept the surrender for no consideration of any fully paid share.

*(vi) Power of any subsidiary of our Company to own shares in our Company*

There are no provisions in the Articles relating to ownership of shares in our Company by a subsidiary.

*(vii) Calls on shares and forfeiture of shares*

The Board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by instalments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the Board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or instalments payable upon any shares held by him, and upon all or any of the monies so advanced our Company may pay interest at such rate (if any) as the Board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the Board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to our Company all monies which, at the date of forfeiture, were payable by him to our Company in respect of the shares, together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the Board determines.

**(b) Directors**

*(i) Appointment, retirement and removal*

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

Neither a Director nor an alternate Director is required to hold any shares in our Company by way of qualification. Further, there are no provisions in the Articles relating to retirement of Directors upon reaching any age limit.

The Directors have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed to fill a casual vacancy shall hold office until the next first annual general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing Board shall hold office only until the next first annual general meeting of our Company after his appointment and shall then be eligible for re-election.

A Director may be removed by an ordinary resolution of our Company's members before the expiration of his period of office (including a managing director or other executive director, but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and our Company) and members of our Company may by ordinary resolution appoint another in his place. Unless otherwise determined by our Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors.

The office of director shall be vacated if:

- (aa) he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally; or
- (bb) he dies or is declared to be of unsound mind and the Board resolves that his office be vacated; or
- (cc) without special leave, he is absent from meetings of the Board for six (6) consecutive months, and the Board resolves that his office is vacated; or
- (dd) he is prohibited by law from acting as a director or he ceases to be a director by operation of law; or
- (ee) he has been validly required by the stock exchange of the Relevant Territory (as defined in the Articles) to cease to be a Director; or
- (ff) he resigns; or
- (gg) he is removed from office by the requisite majority of the Directors, and ordinary resolution of our Company or otherwise pursuant to the Articles; or
- (hh) he is removed from office by notice in writing served on him signed by not less than three-fourth in number (or if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office.

The Board may appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with our Company for such period and upon such terms as the Board may determine and the Board may revoke or terminate any of such appointments. The Board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the Board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes,



but every committee so formed must, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

*(ii) Power to allot and issue shares and warrants*

Subject to the provisions of the Cayman Companies Act and the Memorandum and Articles and to any special rights conferred on the holders of any shares or class of shares, any share may be issued (a) with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine, or (b) on terms that, at the option of our Company or the holder thereof, it is liable to be redeemed.

The Board may issue warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of our Company on such terms as it may determine.

Subject to the provisions of the Cayman Companies Act and the Articles and, where applicable, the rules of the Hong Kong Stock Exchange and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in our Company are at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount to their nominal value.

Neither our Company nor the Board is obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

*(iii) Power to dispose of the assets of our Company or any of its subsidiaries*

There are no specific provisions in the Articles relating to the disposal of the assets of our Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by our Company and which are not required by the Articles or the Cayman Companies Act to be exercised or done by our Company in general meeting.

*(iv) Borrowing powers*

The Board may exercise all the powers of our Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets and uncalled capital of our Company and, subject to the Cayman Companies Act, to issue debentures, bonds and other securities of our Company, whether outright or as collateral security for any debt, liability or obligation of our Company or of any third party.

*(v) Remuneration*

The ordinary remuneration of the Directors is to be determined by our Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the Board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office. The Directors are also entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably expected to be incurred or incurred by them in attending any Board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of our Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of our Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration as a Director. An Executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the Board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The Board may establish or concur or join with other companies (being subsidiary companies of our Company or companies with which it is associated in business) in establishing and making contributions out of our Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit with our Company or any of its subsidiaries) and ex-employees of our Company and their dependants or any class or classes of such persons.

The Board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependants are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the Board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

The Board may resolve to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including a share premium account and the profit and loss account) whether or not the same is available for distribution by applying such sum in paying up unissued shares to be allotted to (i) employees (including directors) of our Company and/or its affiliates (meaning any individual, corporation, partnership, association, joint-stock company, trust, unincorporated association or other entity (other than our Company) that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, our Company) upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the members in general meeting, or (ii) any trustee of any trust to whom shares are to be allotted and issued by our Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the members in general meeting.

*(vi) Compensation or payments for loss of office*

Pursuant to the Articles, payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by our Company in general meeting.

*(vii) Loans and provision of security for loans to Directors*

Our Company must not make any loan, directly or indirectly, to a Director or his close associate(s) if and to the extent it would be prohibited by the Companies Ordinance as if our Company were a company incorporated in Hong Kong.

*(viii) Disclosure of interests in contracts with our Company or any of its subsidiaries*

A Director may hold any other office or place of profit with our Company (except that of the auditor of our Company) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor in addition to any remuneration provided for by or pursuant to the Articles. A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by our Company or any other company in which our Company may be interested, and shall not be liable to account to our Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by our Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

No Director or proposed or intended Director shall be disqualified by his office from contracting with our Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to our Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with our Company must declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the Board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or other proposal in which he or any of his close associates is materially interested, but this prohibition does not apply to any of the following matters, namely:

- (aa) any contract or arrangement for giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associates or obligations incurred or undertaken by him or any of his close associates at the request of or for the benefit of our Company or any of its subsidiaries;
- (bb) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of our Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (cc) any contract or arrangement concerning an offer of shares or debentures or other securities of or by our Company or any other company which our Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (dd) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of our Company by virtue only of his/their interest in shares or debentures or other securities of our Company; or
- (ee) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, his close associates and employees of our Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

**(c) Proceedings of the Board**

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have an additional or casting vote.

**(d) Alterations to constitutional documents and our Company's name**

The Articles may be rescinded, altered or amended by our Company in general meeting by special resolution. The Articles state that a special resolution shall be required to alter the provisions of the Memorandum, to amend the Articles or to change the name of our Company.

**(e) Meetings of members****(i) *Special and ordinary resolutions***

A special resolution of our Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

Under the Cayman Companies Act, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within fifteen (15) days of being passed.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of our Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

**(ii) *Voting rights and right to demand a poll***

Subject to any special rights or restrictions as to voting for the time being attached to any shares, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may pursuant to the Listing Rules, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote

provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. Votes (whether on a show of hands or by way of poll) may be cast by such means, electronic or otherwise, as the Directors or the chairman of the meeting may determine.

Any corporation which is a member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any general meeting of the Company or at any meeting of any class of members.

The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member and such corporation shall for the purposes of the Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.

If a recognised clearing house (or its nominee(s)) is a member of our Company it may authorise such person or persons as it thinks fit to act as its representative(s) at any meeting of our Company or at any meeting of any class of members of our Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares of our Company held by that clearing house (or its nominee(s)) including, the right to speak and vote, and where a show of hands is allowed, the right to vote individually on a show of hands.

Members must have the right to: (a) speak at general meetings of our Company; and (b) vote at a general meeting except whether a member is required by the Listing Rules, to abstain from voting to approve the matter under consideration.

Where our Company has any knowledge that any member is, under the rules of the Hong Kong Stock Exchange, required to abstain from voting on any particular resolution of our Company or restricted to voting only for or only against any particular resolution of our Company, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.



*(iii) Annual general meetings and extraordinary general meeting*

Other than the year of our Company's adoption of the Articles, in each year during the period commencing from the Listing Date and including the date immediately before the Listing Date our Company shall hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it. Such annual general meeting shall be held within six months after the end of relevant financial year.

Extraordinary general meetings may be convened on the requisition of one or more members holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of our Company having the right of voting at general meetings, on a one vote per share basis in the share capital of our Company and the foregoing members shall be able to add resolutions to the meeting agenda. Such requisition shall be made in writing to the Board or the secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by our Company.

Notwithstanding any provisions in the Articles, any general meeting or any class meeting may be held by means of such telephone, electronic or other communication facilities as to permit all persons participating in the meeting to communicate with each other, and participation in such a meeting shall constitute presence at such meeting.

*(iv) Notices of meetings and business to be conducted*

An annual general meeting must be called by notice of not less than twenty-one (21) clear days' notice in writing. All other general meetings must be called by notice of at least fourteen (14) clear days' notice in writing. The notice is exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the time and place of the meeting and particulars of resolutions to be considered at the meeting and, in the case of special business, the general nature of that business.

In addition, notice of every general meeting must be given to all members of our Company other than to such members as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from our Company, and also to, among others, the auditors for the time being of our Company.

Any notice to be given to or by any person pursuant to the Articles may be served on or delivered to any member of our Company personally, by post to such member's registered address or by advertisement in newspapers in accordance with the requirements of the Hong Kong Stock Exchange. Subject to compliance with Cayman Islands law and the rules of the Hong Kong Stock Exchange, notice may also be served or delivered by our Company to any member by electronic means.

All business that is transacted at an extraordinary general meeting and at an annual general meeting is deemed special, save that in the case of an annual general meeting, each of the following business is deemed an ordinary business:

- (aa) the declaration and sanctioning of dividends;
  - (bb) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;
  - (cc) the election of directors in place of those retiring;
  - (dd) the appointment of auditors and other officers; and
  - (ee) the fixing of the remuneration of the directors and of the auditors.
- (v) *Quorum for meetings and separate class meetings*

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman.

The quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

(vi) *Proxies*

Any member of our Company entitled to attend and vote at a meeting of our Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of our Company or at a class meeting. A proxy need not be a member of our Company and is entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such

member could exercise. In addition, every member being a corporation shall be entitled to appoint a representative to attend and vote at any general meeting of the Company and, where a corporation is so represented, it shall be treated as being present at any meeting in person. A corporation may execute a form of proxy under the hand of a duly authorised officer and such a proxy is entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise as if it were an individual member. On a poll or a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

**(f) Accounts and audit**

The Board shall cause true accounts to be kept of the sums of money received and expended by our Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of our Company and of all other matters required by the Cayman Companies Act or necessary to give a true and fair view of our Company's affairs and to explain its transactions.

The accounting records must be kept at the registered office or at such other place or places as the Board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any accounting record or book or document of our Company except as conferred by law or authorised by the Board or our Company in general meeting. However, an exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act of the Cayman Islands.

A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before our Company at its general meeting, together with a printed copy of the Directors' report and a copy of the auditors' report, shall not less than twenty-one (21) days before the date of the meeting and at the same time as the notice of annual general meeting be sent to every person entitled to receive notices of general meetings of our Company under the provisions of the Articles; however, subject to compliance with all applicable laws, including the rules of the Hong Kong Stock Exchange, our Company may send to such persons summarised financial statements derived from our Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on our Company, demand that our Company sends to him, in addition to summarised financial statements, a complete printed copy of our Company's annual financial statement and the directors' report thereon.

At the annual general meeting or at a subsequent extraordinary general meeting in each year, the members shall by ordinary resolution appoint an auditor to audit the accounts of our Company and such auditor shall hold office until the next annual general meeting. Moreover, the members may, at any general meeting, by ordinary resolution remove the auditors at any time before the expiration of his terms of office and shall by ordinary resolution at that meeting appoint another auditor for the remainder of his term. The appointment, removal and remuneration of the auditors must be approved by a majority of our Company's members in a general meeting or by other body that is independent of the Board, except that in any particular year our Company in general meeting (or such body independent of the Board as aforementioned) may delegate the fixing of such remuneration to the Board and the remuneration of any auditors appointed to fill any casual vacancy may be fixed by the Board.

The financial statements of our Company shall be audited by the auditor in accordance with generally accepted auditing standards which may be those of a country or jurisdiction other than the Cayman Islands. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor must be submitted to the members in general meeting.

**(g) Dividends and other methods of distribution**

Our Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the Board.

The Articles provide dividends may be declared and paid out of the profits of our Company, realised or unrealised, or from any reserve set aside from profits which the directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Cayman Companies Act.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any member or in respect of any shares all sums of money (if any) presently payable by him to our Company on account of calls or otherwise.

Whenever the Board or our Company in general meeting has resolved that a dividend be paid or declared on the share capital of our Company, the Board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the members entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that members entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit.

Our Company may also upon the recommendation of the Board by an ordinary resolution resolve in respect of any one particular dividend of our Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of our Company in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to our Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever the Board or our Company in general meeting has resolved that a dividend be paid or declared the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of our Company until claimed and our Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the Board and shall revert to our Company.

No dividend or other monies payable by our Company on or in respect of any share shall bear interest against our Company.

**(h) Inspection of corporate records**

Pursuant to the Articles, the register and branch register of members maintained in Hong Kong shall be open to inspection during business hours by members without charge, or by any other person upon a maximum payment of HK\$2.50 or such lesser sum specified by the Board, at the registered office or such other place at which the register is kept in accordance with the Cayman Companies Act or, upon a maximum payment of HK\$1.00 or such lesser sum specified by the Board, at the office where the branch register of members is kept, unless the register is closed in accordance with the Articles.

**(i) Rights of minorities in relation to fraud or oppression**

There are no provisions in the Articles relating to rights of minority members in relation to fraud or oppression. However, certain remedies are available to members of our Company under Cayman Islands law, as summarised in paragraph 3(f) of this Appendix III.

**(j) Procedures on liquidation**

Unless otherwise provided by the Companies Act, our Company may at any time and from time to time be wound up voluntarily by a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

- (i) if our Company is wound up and the assets available for distribution amongst the members of our Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such members in proportion to the amount paid up on the shares held by them respectively; and
- (ii) if our Company is wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If our Company is wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Cayman Companies Act divide among the members in specie or kind the whole or any part of the assets of our Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

**(k) Subscription rights reserve**

The Articles provide that to the extent that it is not prohibited by and is in compliance with the Cayman Companies Act, if warrants to subscribe for shares have been issued by our Company and our Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

**3. CAYMAN ISLANDS COMPANIES ACT**

Our Company is incorporated in the Cayman Islands subject to the Cayman Companies Act and, therefore, operates subject to Cayman Islands law. Set out below is a summary of certain provisions of the Cayman Companies Act, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the Cayman Islands company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar:

**(a) Company operations**

As an exempted company, our Company's operations must be conducted mainly outside the Cayman Islands. An exempted company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

**(b) Share capital**

The Cayman Companies Act provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium.



The Cayman Companies Act provides that the share premium account may be applied by a company subject to the provisions, if any, of its memorandum and articles of association in (a) paying distributions or dividends to members; (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares; (c) the redemption and repurchase of shares (subject to the provisions of section 37 of the Cayman Companies Act); (d) writing-off the preliminary expenses of the company; and (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

The Cayman Companies Act provides that, subject to confirmation by the Grand Court of the Cayman Islands (the "Court"), a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

**(c) Financial assistance to purchase shares of a company or its holding company**

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

**(d) Purchase of shares and warrants by a company and its subsidiaries**

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder and the Cayman Companies Act expressly provides that it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorise the manner and terms of purchase, a company cannot purchase any of its own shares unless the manner and terms of purchase have first been authorised by an ordinary resolution of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. A payment out of capital by a

company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares purchased by a company is to be treated as cancelled unless, subject to the memorandum and articles of association of the company, the directors of the company resolve to hold such shares in the name of the company as treasury shares prior to the purchase. Where shares of a company are held as treasury shares, the company shall be entered in the register of members as holding those shares, however, notwithstanding the foregoing, the company is not be treated as a member for any purpose and must not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void, and a treasury share must not be voted, directly or indirectly, at any meeting of the company and must not be counted in determining the total number of issued shares at any given time, whether for the purposes of the company's articles of association or the Cayman Companies Act.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

**(e) Dividends and distributions**

The Cayman Companies Act permits, subject to a solvency test and the provisions, if any, of a company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account. With the exception of the foregoing, there are no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as persuasive in the Cayman Islands, dividends may be paid only out of profits.

No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of a company's assets (including any distribution of assets to members on a winding up) may be made to the company, in respect of a treasury share.

**(f) Protection of minorities and shareholders' suits**

The Courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of a company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company, and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having a share capital divided into shares, the Court may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Court shall direct.

Any shareholder of a company may petition the Court which may make a winding up order if the Court is of the opinion that it is just and equitable that the company should be wound up or, as an alternative to a winding up order, (a) an order regulating the conduct of the company's affairs in the future, (b) an order requiring the company to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained it has omitted to do, (c) an order authorising civil proceedings to be brought in the name and on behalf of the company by the shareholder petitioner on such terms as the Court may direct, or (d) an order providing for the purchase of the shares of any shareholders of the company by other shareholders or by the company itself and, in the case of a purchase by the company itself, a reduction of the company's capital accordingly.

Generally claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by a company's memorandum and articles of association.

**(g) Disposal of assets**

The Cayman Companies Act contains no specific restrictions on the power of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

**(h) Accounting and auditing requirements**

A company must cause proper books of account to be kept with respect to (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company; and (iii) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

An exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act of the Cayman Islands.

**(i) Exchange control**

There are no exchange control regulations or currency restrictions in the Cayman Islands.

**(j) Taxation**

Pursuant to the Tax Concessions Act of the Cayman Islands, our Company has obtained an undertaking:

- (1) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to our Company or its operations; and
- (2) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on or in respect of the shares, debentures or other obligations of our Company.

The undertaking for our Company is for a period of thirty years from 17 January 2022.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to our Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are a party to a double tax treaty entered into with the United Kingdom in 2010 but otherwise is not party to any double tax treaties.

**(k) Stamp duty on transfers**

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

**(l) Loans to directors**

There is no express provision in the Cayman Companies Act prohibiting the making of loans by a company to any of its directors.

**(m) Inspection of corporate records**

Members of a company have no general right under the Cayman Companies Act to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's Articles.

**(n) Register of members**

An exempted company may maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as the directors may, from time to time, think fit. A branch register must be kept in the same manner in which a principal register is by the Cayman Companies Act required or permitted to be kept. A company shall cause to be kept at the place where the company's principal register is kept a duplicate of any branch register duly entered up from time to time.

There is no requirement under the Cayman Companies Act for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of members, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act of the Cayman Islands.

**(o) Register of Directors and Officers**

A company is required to maintain at its registered office a register of directors and officers which is not available on display. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within thirty (30) days of any change in such directors or officers.

**(p) Beneficial Ownership Register**

An exempted company is required to maintain a beneficial ownership register at its registered office that records details of the persons who ultimately own or control, directly or indirectly, more than 25% of the equity interests or voting rights of the company or have rights to appoint or remove a majority of the directors of the company. The beneficial ownership register is not a public document and is only accessible by a designated competent authority of the Cayman Islands.

Such requirement does not, however, apply to an exempted company with its shares listed on an approved stock exchange, which includes the Hong Kong Stock Exchange. Accordingly, for so long as the shares of a company are listed on the Hong Kong Stock Exchange, the company is not required to maintain a beneficial ownership register.

**(q) Winding up**

A company may be wound up (a) compulsorily by order of the Court, (b) voluntarily, or (c) under the supervision of the Court.

The Court has authority to order winding up in a number of specified circumstances including where the members of the company have passed a special resolution requiring the company to be wound up by the Court, or where the company is unable to pay its debts, or where it is, in the opinion of the Court, just and equitable to do so. Where a petition is presented by members of the company as contributories on the ground that it is just and equitable that the company should be wound up, the Court has the jurisdiction to make certain other orders as an alternative to a winding-up order, such as making an order regulating the conduct of the company's affairs in the future, making an order authorising civil proceedings to be brought in the name and on behalf of the company by the petitioner on such terms as the Court may direct, or making an order providing for the purchase of the shares of any of the members of the company by other members or by the company itself.

A company (save with respect to a limited duration company) may be wound up voluntarily when the company so resolves by special resolution or when the company in general meeting resolves by ordinary resolution that it be wound up voluntarily because it is unable to pay its debts as they fall due. In the case of a voluntary winding up, such company is obliged to cease to carry on its business (except so far as it may be beneficial for its winding up) from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above.

For the purpose of conducting the proceedings in winding up a company and assisting the Court therein, there may be appointed an official liquidator or official liquidators; and the court may appoint to such office such person, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court must declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court.

As soon as the affairs of the company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and how the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. This final general meeting must be called by at least 21 days' notice to each contributory in any manner authorised by the company's articles of association and published in the Gazette.

**(r) Reconstructions**

There are statutory provisions which facilitate reconstructions and amalgamations approved by (i) a majority in number representing seventy-five per cent. (75%) in value of creditors, or (ii) seventy-five per cent. (75%) in value of shareholders or class of shareholders, as the case may be, as are present and voting either in person or by proxy at a meeting called for such purpose and thereafter sanctioned by the Court. Whilst a dissenting shareholder would have the right to express to the Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management.

The Companies Act also contains statutory provisions which provide that a company may present a petition to the Court for the appointment of a restructuring officer on the grounds that the company (a) is or is likely to become unable to pay its debts within the meaning of section 93 of the Companies Act; and (b) intends to present a compromise or arrangement to its creditors (or classes thereof) either, pursuant to the Companies Act, the law of a foreign country or by way of a consensual restructuring. The petition may be presented by a company acting by its directors, without a resolution of its shareholders or an express power in its articles of association. On hearing such a petition, the Court may, among other things, make an order appointing a restructuring officer or make any other order as the Court thinks fit.



**(s) Take-overs**

Where an offer is made by a company for the shares of another company and, within four (4) months of the offer, the holders of not less than ninety per cent. (90%) of the shares which are the subject of the offer accept, the offeror may at any time within two (2) months after the expiration of the said four (4) months, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one (1) month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

**(t) Indemnification**

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Court to be contrary to public policy (e.g., for purporting to provide indemnification against the consequences of committing a crime).

**4. GENERAL**

Ogier, our Company's legal counsel as to Cayman Islands law, have sent to our Company a letter of advice summarising certain aspects of Cayman Companies Act. This letter, together with a copy of the Cayman Companies Act, is available on display as referred to in the section headed "Appendix V — Documents delivered to the Registrar of Companies and available for display — Documents available for display" to this prospectus. Any person wishing to have a detailed summary of Cayman Companies Act or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

## 1. FURTHER INFORMATION ABOUT OUR GROUP

### 1.1. Incorporation of our Company

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 10 June 2021 and was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 4 April 2022, and our principal place of business in Hong Kong is at 2408, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong. Ms. Tang Wing Shan Winza (鄧穎珊女士) (our company secretary) of 46/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong has been appointed as the authorised representative of our Company for the acceptance of service of process and notices in Hong Kong.

As our Company is incorporated in the Cayman Islands, we are subject to the relevant laws of the Cayman Islands and our constitution comprises the Memorandum of Association and the Articles. A summary of the relevant aspects of the Companies Act and certain provisions of the Articles is set out in Appendix III to this prospectus.

### 1.2. Changes in the share capital in our Company

#### 1.1.1. Changes in the authorised and issued share capital

As at the date of incorporation of our Company, our Company had an authorised share capital of HK\$390,000 divided into 3,900,000,000 Shares of HK\$0.0001 each. On 10 June 2021 (i.e., the date of its incorporation), one subscriber Share was allotted and issued, credited as fully paid up, to an officer of the registered agent of our Company, and such share was transferred to Many Idea Liujianhui which was wholly owned by Mr. Liu on the same date. The following alterations in the share capital of our Company have taken place since the date of incorporation up to the date of this prospectus:

- (i) in the course of Reorganisation, our Company allotted and issued, in aggregate 44,755,509 Shares, details of which are set out in the section headed "History, Reorganisation and Corporate Structure — Reorganisation" in this prospectus;
- (ii) pursuant to the written resolutions passed by our Shareholders on 12 October 2022, among others, the authorised share capital of our Company was increased from HK\$390,000 divided into 3,900,000,000 Shares of HK\$0.0001 each to HK\$1,000,000 divided into 10,000,000,000 Shares of HK\$0.0001 each by the creation of an additional of 6,100,000,000 Shares of HK\$0.0001 each, each ranking *pari passu* with the Shares then in issue in all respects;

- (iii) on 12 October 2022, our Shareholders resolved that conditional on the share premium account of our Company being credited as a result of the issue of new Shares under the Global Offering, our Directors were authorised to capitalise an amount of HK\$59,524.4490 standing to the credit of the share premium account of our Company by applying that sum in paying up in full at par 595,244,490 Shares for allotment and issue to shareholders whose name appeared in the register of members of our Company at close of business on 12 October 2022; and
- (iv) immediately following completion of the Global Offering (without taking into account any Shares which may be issued upon the exercise of options under the Share Option Scheme or the Over-allotment Option or Shares to be converted under Pre-HKIPO Loans), 800,000,000 Shares will be issued fully paid or credited as fully paid, and 9,200,000,000 Shares will remain unissued.

See sections headed “History, Reorganisation and Corporate Structure — Corporate Development of our Group — 1. Our Company” and “History — Reorganisation” in this prospectus for the details of changes in the share capital of our Company.

*1.1.2. Information as at the Latest Practicable Date and immediately after the Global Offering*

The following is a description of the authorised share capital and the share capital of our Company in issue and to be issued as fully paid immediately prior to and following the completion of the Global Offering:

<i>Number</i>			<i>HK\$</i>
<i>Authorised share capital:</i>			
	<u>10,000,000,000</u>	Shares	<u>1,000,000</u>
<i>Issued and to be issued and fully paid or credited as fully paid:</i>			
	44,755,510	Shares in issue as at the Latest Practicable Date and as at the date of this prospectus	4,475.5510
	595,244,490	Shares to be issued pursuant to the Capitalisation Issue	59,524.4490
	160,000,000	Shares to be issued pursuant to the Global Offering	16,000
Subtotal	<u>800,000,000</u>		<u>80,000</u>
	22,399,345	Maximum number of Shares to be converted under Pre-HKIPO Loans	2,239.9345
	24,000,000	Maximum number of Shares to be issued pursuant to the Over-allotment Options	2,400
	80,000,000	Maximum number of Shares to be issued pursuant to the Share Option Scheme	8,000
Subtotal	<u>126,399,345</u>		<u>12,639.9345</u>
<b>Total</b>	<u><b>926,399,345</b></u>		<u><b>92,639.9345</b></u>

*Assumptions*

The above table assumes that the Global Offering becomes unconditional and Shares are issued pursuant to the Global Offering. It takes no account of any Shares which may be issued upon the exercise of options under the Share Option Scheme or the Over-allotment Option or Shares to be converted under Pre-HKIPO Loans or of any Shares which may be issued or purchased by us pursuant to the Issuing Mandate and Repurchase Mandate granted to our Directors to issue or purchase Shares as described below.

Immediately following completion of the Global Offering and upon the exercise of the Over-allotment Option in full but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the options which may be granted under the Share Option Scheme or Shares to be converted under Pre-HKIPO Loans, it is expected that the share capital of our Company will be comprised 824,000,000 Shares.

**1.1.3. Founder shares**

Our Company has no founder shares, management shares or deferred shares.

Other than pursuant to the exercise of the Over-allotment Option, the exercise of any options which may be granted under the Share Option Scheme and conversion of Shares under Pre-HKIPO Loans, there is no present intention to issue any shares of our Company and, without the prior approval of our Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Save as disclosed above, there has been no alteration in the share capital of our Company since our incorporation up to the date of this prospectus.

**1.3. Resolutions of our Shareholders passed on 12 October 2022**

Pursuant to the written resolutions passed by our Shareholders on 12 October 2022, among others:

- (a) our Company approved and adopted the Memorandum in substitution for and to the exclusion of the then existing memorandum of association of our Company with immediate effect;
- (b) our Company approved and adopted the Articles in substitution for and to the exclusion of the then existing articles of association of our Company with effect from the Listing Date;

- (c) the authorised share capital of our Company was increased from HK\$390,000 divided into 3,900,000,000 Shares of HK\$0.0001 each to HK\$1,000,000 divided into 10,000,000,000 Shares of HK\$0.0001 each by the creation of an additional of 6,100,000,000 Shares of HK\$0.0001 each, each ranking *pari passu* with the Shares then in issue in all respects;
- (d) conditional on all the conditions set out in the section headed “Structure of the Global Offering — Conditions of the Hong Kong Public Offering” in this prospectus being fulfilled:
  - (i) the Global Offering, the grant of the Over-allotment Option (which shall be exercisable by the Sole Representative, for itself and on behalf of the International Underwriters), and the conversion of Shares under the Pre-HKIPO Loans were approved and our Directors were authorised to allot and issue the Offer Shares pursuant to the Global Offering and such number of Shares as may be required to be allotted and issued upon the exercise of the Over-allotment Option and the conversion of Shares under the Pre-HKIPO Loans;
  - (ii) the rules of the Share Option Scheme were approved and adopted and our Directors were authorised to approve any amendments to the rules of the Share Option Scheme as may be acceptable or not objected by the Hong Kong Stock Exchange, and at their absolute discretion, to grant options to subscribe for Shares thereunder and to allot, issue and deal with our Shares pursuant to the exercise of subscription rights attaching to any options granted under the Share Option Scheme and to take all such actions as they consider necessary or desirable to implement the Share Option Scheme;
  - (iii) conditional on the share premium account of our Company being credited as a result of the issue of new Shares under the Global Offering, our Directors were authorised to capitalise HK\$59,524.4490, standing to the credit of the share premium account of our Company by applying that sum in paying up in full 595,244,490 for allotment and issue to the holders of Shares whose names appear on the register of members of our Company at the close of business on 12 October 2022 (or as they may direct) in proportion (as nearly as possible without involving factions so that no fraction of a share shall be allotted and issued) to their then existing respective shareholding in our Company and so that the Shares be allotted and issued pursuant to this resolution shall rank *pari passu* in all respects with the then existing issued Shares (other than the right to participate in the Capitalisation Issue) and our Directors were authorised to give effect to such capitalisation;

- (iv) a general unconditional mandate was given to our Directors to exercise all powers of our Company to allot, issue and deal with unissued Shares in the capital of our Company and to make or grant offers, agreements and options which may require the exercise of such powers, otherwise than by way of rights issue, scrip dividend schemes or similar arrangements providing for allotment of Shares in lieu of the whole or in part of any dividend in accordance with the Articles of Association, or pursuant to the exercise of any options which have been or may be granted under the Share Option Scheme or other arrangements regulated by Chapter 17 of the Listing Rules, or under the Global Offering or the Capitalisation Issue, or issue of Shares upon exercise of rights of subscription or conversion attaching to any warrants of our Company or any securities which are convertible into Shares, with an aggregate number of not exceeding the sum of (aa) 20% of the total number of Shares in issue immediately following completion of the Capitalisation Issue and the Global Offering (but excluding (where applicable) any Shares which may be issued pursuant to the exercise of the Over-allotment Option or exercise of options that may be granted under the Share Option Scheme or Shares to be converted under Pre-HKIPO Loans) and (bb) the number of Shares which may be purchased by our Company pursuant to the authority granted to our Directors as referred to in sub-paragraph (v) below, until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association or the Companies Act to be held, or the passing of an ordinary resolution by our Shareholders revoking or varying the authority given to our Directors, whichever occurs first;
- (v) a general unconditional mandate was given to our Directors to exercise all powers of our Company to purchase Shares on the Hong Kong Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and recognised by the SFC and the Hong Kong Stock Exchange for this purpose and made in accordance with all applicable laws and regulations and the requirements of the Listing Rules, with an aggregate number of not exceeding 10% of the total number of Shares in issue immediately following the completion of the Capitalisation Issue and the Global Offering (but excluding (where applicable) any Shares which may be issued pursuant to the exercise of the Over-allotment Option or exercise of options that may be granted under the Share Option Scheme or Shares to be converted under Pre-HKIPO Loans) until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association or the Companies Act to be held, or the passing of an ordinary resolution by our Shareholders revoking or varying the authority given to our Directors, whichever occurs first; and



- (vi) the extension of the general mandate to allot, issue and deal with Shares to include the number of Shares which may be purchased or repurchased pursuant to paragraph (v) above.

#### **1.4. Reorganisation**

See section headed “History, Reorganisation and Corporate Structure — Reorganisation” in this prospectus for details of the Reorganisation in preparation for the Listing of our Shares on the Hong Kong Stock Exchange.

#### **1.5. Changes in share capital of subsidiaries of our Company**

Our subsidiaries are set out under the Accountants’ Report set out in Appendix I to this prospectus. Save for the subsidiaries mentioned in the Accountants’ Report in Appendix I to this prospectus, our Company has no other subsidiaries. Save as disclosed in the section headed “History, Reorganisation and Corporate Structure” in this prospectus, there has been no other alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this prospectus.

#### **1.6. Changes in the share capital of our subsidiaries**

The subsidiaries of our Company are listed in the Accountants’ Report, the text of which is set out in Appendix I to this prospectus. Apart from the alterations disclosed in this appendix and the section headed “History, Reorganisation and Corporate Structure” in this prospectus, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this prospectus.

#### **1.7. Repurchases by our Company of our own securities**

This section includes information required by the Hong Kong Stock Exchange to be included in the prospectus concerning the repurchase of our Shares by our Company.

##### *(a) Provisions of the Listing Rules*

The Listing Rules permit companies with a primary listing on the Hong Kong Stock Exchange to purchase their shares on the Hong Kong Stock Exchange subject to certain restrictions, the more important of which are summarised below:

##### *(i) Shareholders’ approval*

The Listing Rules provide that all proposed repurchases of shares (which must be fully paid in the case of shares) by a company with a primary listing on the Hong Kong Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval of a specific transaction.

*(ii) Source of funds*

Repurchases must be funded out of funds legally available for the purpose in accordance with the Articles and the laws of the Cayman Islands. Our Company may not repurchase our own shares on the Hong Kong Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Hong Kong Stock Exchange from time to time.

Any repurchases by our Company may be made out of profits or our Company's share premium account or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase and, in the case of any premium payable on the repurchase, out of profits of our Company or out of our Company's share premium account before or at the time our Shares are repurchased. Subject to satisfactory of the solvency test prescribed by the Companies Act, a repurchase of Shares may also be paid out of the Company.

*(iii) Trading Restrictions*

The total number of shares which our Company may repurchase on the Hong Kong Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue. Our Company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase whether on the Hong Kong Stock Exchange or otherwise (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Hong Kong Stock Exchange. In addition, our Company is prohibited from repurchasing our Shares on the Hong Kong Stock Exchange if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which our Shares were traded on the Hong Kong Stock Exchange. The Listing Rules also prohibit our Company from repurchasing our securities which would result in the number of the listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Hong Kong Stock Exchange. Our Company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Hong Kong Stock Exchange such information with respect to the repurchase as the Hong Kong Stock Exchange may require.

(iv) *Status of repurchased shares*

All repurchased securities (whether effected on the Hong Kong Stock Exchange or otherwise) will be automatically delisted and the certificates for those securities must be cancelled and destroyed.

(v) *Suspension of repurchase*

Our Company shall not make any repurchase of securities on the Hong Kong Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) the date of the board meeting (as such date is first notified to the Hong Kong Stock Exchange in accordance with the Listing Rules) for the approval of our Company's results for any year, half year, quarterly or any other interim period (whether or not required under the Listing Rules) and (b) the deadline for publication of an announcement of our Company's results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, we may not repurchase our Shares on the Hong Kong Stock Exchange other than in exceptional circumstances. In addition, the Hong Kong Stock Exchange may prohibit a repurchase of securities on the Hong Kong Stock Exchange if a listed company has breached the Listing Rules.

(vi) *Reporting requirements*

Certain information relating to repurchases of securities on the Hong Kong Stock Exchange or otherwise must be reported to the Hong Kong Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, our Company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such purchase, where relevant, and the aggregate prices paid.

(vii) *Core connected persons*

The Listing Rules prohibit our Company from knowingly repurchasing our Shares on the Hong Kong Stock Exchange from a "core connected person" (which includes a Director, chief executive or substantial shareholder of our Company or any of our subsidiaries or a close associate of any of them) and a core connected person shall not knowingly sell Shares to our Company.

*(b) Reasons for repurchases*

Our Directors believe that the ability to repurchase Shares is in the interests of our Company and our Shareholders. Repurchases may, depending on the circumstances, result in an increase in the net assets and/or earnings per Share. Our Directors have sought the grant of a general mandate to repurchase Shares to give our Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by our Directors at the relevant time having regard to the circumstances then pertaining.

*(c) Funding of repurchases and impact on working capital or gearing position*

In repurchasing Shares, our Company may only apply funds legally available for such purpose in accordance with the Articles, the Listing Rules and the applicable laws of the Cayman Islands.

There could be a material adverse impact on the working capital or gearing position of our Company (as compared with the position disclosed in this prospectus) in the event that the Repurchase Mandate were to be carried out in full at any time during the share repurchase period.

Our Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Company.

*(d) General*

The exercise in full of the Repurchase Mandate, on the basis of 800,000,000 Shares in issue immediately following the completion of the Capitalisation Issue and the Global Offering without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option or any options that may be granted under the Share Option Scheme or Shares to be converted under Pre-HKIPO Loans, could accordingly result in up to approximately 80,000,000 Shares being repurchased by our Company during the period prior to the earliest occurrence of any of the following:

- (i) the conclusion of the next annual general meeting of our Company; or
- (ii) the date by which the next annual general meeting of our Company is required by the Articles of Association or the Companies Act to be held; or

- (iii) the passing of an ordinary resolution by our Shareholders revoking or varying the authority given to our Directors.

None of our Directors or, to the best of their knowledge having made all reasonable enquiries, any of their close associates, has any present intention if the Repurchase Mandate is exercised to sell any Shares to our Company.

Our Directors have undertaken to the Hong Kong Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of our Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase. Our Directors are not aware of any consequence that would arise under the Takeovers Code as a result of a repurchase pursuant to the Repurchase Mandate.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 25% of the Shares then in issue could only be implemented if the Hong Kong Stock Exchange agreed to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances. Our Directors have no present intention to exercise the Repurchase Mandate to such an extent that, in the circumstances, there is insufficient public float as prescribed under the Listing Rules.

No core connected person of our Company has notified our Company that he or she has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

## 2. FURTHER INFORMATION ABOUT OUR BUSINESS

### 2.1. Summary of material contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of our Group within the two years preceding the date of this prospectus and are or may be material:

- (a) a registered trademark transfer agreement (註冊商標轉讓合同) (in Chinese) dated 20 February 2021 between Xiamen Many Idea and Xiamen Second Future whereby Xiamen Many Idea transferred certain registered trademarks registered in the PRC to Xiamen Second Future at the consideration of RMB66,100;
- (b) a domain name transfer agreement (域名權轉讓合同) (in Chinese) dated 8 October 2021 between Xiamen Many Idea and Xiamen Second Future whereby Xiamen Many Idea transferred the domain name of “manyidea.cloud” to Xiamen Second Future at the consideration of RMB6,400;
- (c) a copyright transfer agreement (著作權轉讓合同) (in Chinese) dated 22 November 2021 between Xiamen Many Idea and Xiamen Second Future whereby Xiamen Many Idea transferred certain copyright of software and works to Xiamen Second Future at the consideration of RMB65,800;
- (d) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Mr. Liu and WFOE whereby Mr. Liu transferred 47.9384% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (e) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Ms. Qu and WFOE whereby Ms. Qu transferred 5.9574% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (f) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Ms. Huang and WFOE whereby Ms. Huang transferred 3.3015% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (g) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Mr. Chen SC and WFOE whereby Mr. Chen SC transferred 3.3015% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;

- (h) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Mr. Chen ZM and WFOE whereby Mr. Chen ZM transferred 0.4287% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (i) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Wang Yuming (王玉明) and WFOE whereby Wang Yuming (王玉明) transferred 7.4159% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (j) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Hu Xiaowei (胡曉偉) and WFOE whereby Hu Xiaowei (胡曉偉) transferred 4.0127% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (k) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Wu Rongzhao (吳榮照) and WFOE whereby Wu Rongzhao (吳榮照) transferred 3.1746% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (l) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Lin Xiaoying (林小英) and WFOE whereby Lin Xiaoying (林小英) transferred 2.5263% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (m) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Qian Haowei (錢浩偉) and WFOE whereby Qian Haowei (錢浩偉) transferred 1.6842% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (n) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Li Dong (李東) and WFOE whereby Li Dong (李東) transferred 1.5889% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (o) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Yu Qianjing (余前景) and WFOE whereby Yu Qianjing (余前景) transferred 1.5888% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (p) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Chen Jincheng (陳金城) and WFOE whereby Chen Jincheng (陳金城) transferred 1.4389% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;



- (q) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Jia Xiaohong (賈小紅) and WFOE whereby Jia Xiaohong (賈小紅) transferred 1.4389% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (r) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Zhi Yuqing (支宇清) and WFOE whereby Zhi Yuqing (支宇清) transferred 1.4389% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (s) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Cheng Fang (程芳) and WFOE whereby Cheng Fang (程芳) transferred 1.1677% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (t) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Liu Yanhua (劉艷華) and WFOE whereby Liu Yanhua (劉艷華) transferred 0.9152% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (u) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Xu Weiwen (徐偉文) and WFOE whereby Xu Weiwen (徐偉文) transferred 0.7955% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (v) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Xiong Jian (熊健) and WFOE whereby Xiong Jian (熊健) transferred 0.5278% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (w) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Zhao Bochao (趙博潮) and WFOE whereby Zhao Bochao (趙博潮) transferred 0.4333% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (x) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Cai Haixu (蔡海旭) and WFOE whereby Cai Haixu (蔡海旭) transferred 2.1822% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (y) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Xie Jian (謝健) and WFOE whereby Xie Jian (謝健) transferred 0.2352% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;

- (z) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Hu Zhengguo (胡正國) and WFOE whereby Hu Zhengguo (胡正國) transferred 0.1937% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (aa) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Wu Maogao (吳茂高) and WFOE whereby Wu Maogao (吳茂高) transferred 0.1591% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (bb) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Zhang Yan (張燕) and WFOE whereby Zhang Yan (張燕) transferred 0.7756% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (cc) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Yu Fenghua (余風華) and WFOE whereby Yu Fenghua (余風華) transferred 0.0692% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (dd) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Yao Abao (姚阿寶) and WFOE whereby Yao Abao (姚阿寶) transferred 0.0623% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (ee) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Qi Yanling (齊燕凌) and WFOE whereby Qi Yanling (齊燕凌) transferred 0.0506% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (ff) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Wang Wenwen (王文雯) and WFOE whereby Wang Wenwen (王文雯) transferred 0.3993% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (gg) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Chen Binxiang (陳斌祥) and WFOE whereby Chen Binxiang (陳斌祥) transferred 0.0127% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (hh) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Dong Lei (董雷) and WFOE whereby Dong Lei (董雷) transferred 1.9861% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;

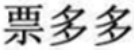
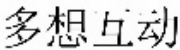








- (ii) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 26 November 2021 entered into between Zhu Fangfang (朱芳芳) and WFOE whereby Zhu Fangfang (朱芳芳) transferred 0.1577% of interests of Xiamen Instant Interactive to WFOE at the consideration of RMB1;
- (jj) an equity transfer agreement (股權轉讓協議) (in Chinese) dated 29 November 2021 entered into between Yuan Yin and Many Idea HK whereby Yuan Yin transferred 2.6412% of interests of Xiamen Instant Interactive to Many Idea HK at the consideration of RMB26,412;
- (kk) an asset and business transfer agreement (資產買賣協議) (in Chinese) dated 30 November 2021 entered into between (i) Xiamen Many Idea and Beijing Many Idea as transferors and (ii) Xiamen Instant Interactive as transferee whereby the transferors transferred to the transferee, amongst others, the then business carried out by the transferors at the consideration of RMB370 million, further details of which are set out in the section headed “History, Reorganisation and Corporate Structure — Reorganisation” of this prospectus;
- (ll) a supplemental agreement to the asset and business transfer agreement (資產買賣協議之補充協議) (in Chinese) dated 1 December 2021 entered into amongst Xiamen Many Idea, Beijing Many Idea and Xiamen Instant Interactive whereby Xiamen Many Idea, Beijing Many Idea and Xiamen Instant Interactive agreed to, amongst others, confirm the completion date under the asset and business transfer agreement referred to in (kk) above to 1 December 2021;
- (mm) a share subscription agreement (股份認購協議) (in Chinese) dated 24 January 2022 entered into amongst our Company, Asia One Developments Co., Ltd. (“**Asia One**”) and Mr. Liu whereby, amongst others, Asia One agreed to subscribe for and our Company agreed to issue 2,461,841 Shares at the consideration of US\$11,000,000, further details of which are set out in the section headed “History, Reorganisation and Corporate Structure — Reorganisation — 13. Pre-IPO Investment: Further subscription and allotment of Shares” of this prospectus;
- (nn) a convertible loan agreement (可轉債協議) dated 26 January 2022 entered into between our Company and ZGC International Limited (“**ZGC**”) whereby ZGC agreed to grant our Company a loan in the sum of USD5,000,000, further details of which are set out in the section headed “History, Reorganisation and Corporate Structure — Pre-IPO Investment by way of Pre-HKIPO Loans” of this prospectus;

- (oo) a convertible loan agreement (可轉債協議) dated 26 January 2022 entered into between our Company and Many Idea Xue Jun Limited whereby Many Idea Xue Jun Limited agreed to grant our Company a loan in the sum of USD1,000,000, further details of which are set out in the section headed “History, Reorganisation and Corporate Structure — Pre-IPO Investment by way of Pre-HKIPO Loans” of this prospectus;
- (pp) a convertible loan agreement (可轉債協議) dated 24 January 2022 entered into between our Company and Huirong Gold Control Limited (“**Huirong**”) whereby Huirong agreed to grant our Company a loan in the sum of USD600,000, further details of which are set out in the section headed “History, Reorganisation and Corporate Structure — Pre-IPO Investment by way of Pre-HKIPO Loans” of this prospectus;
- (qq) a convertible loan agreement (可轉債協議) dated 27 January 2022 entered into between our Company and Great Earn International Limited (“**GEI**”) whereby GEI agreed to grant our Company a loan in the sum of HK\$3,000,000, further details of which are set out in the section headed “History, Reorganisation and Corporate Structure — Pre-IPO Investment by way of Pre-HKIPO Loans” of this prospectus;
- (rr) the Deed of Non-competition, brief details of which are set out in the section headed “Relationship with Controlling Shareholders — Deed of Non-competition” in this prospectus;
- (ss) the Deed of Indemnity, brief details of which are set out in paragraph 4.1. under this appendix;
- (tt) a cornerstone investment agreement (基石投資協議) (in Chinese) dated 26 October 2022 entered into amongst our Company, the Sole Sponsor, Sunfund Securities Limited and Lai Shixian (賴世賢), brief details of which are set out in the section headed “Cornerstone Investor — Cornerstone Placing” in this prospectus; and
- (uu) the Hong Kong Underwriting Agreement.

## 2.2. Intellectual property rights of our Group

### a) Trademarks

As of the Latest Practicable Date, our Group was the registered owner of the following trademarks which we consider to be material to our business:




No.	Trademark	Registered owner	Class	Place of registration	Trademark No.	Duration of validity period
1.		Xiamen Second Future	35	PRC	16470345	From 28 April 2016 to 27 April 2026
2.		Xiamen Second Future	41	PRC	17898895	From 28 October 2016 to 27 October 2026
3.		Xiamen Second Future	21	PRC	22111098	From 21 January 2018 to 20 January 2028
4.		Xiamen Second Future	25	PRC	22111291	From 21 January 2018 to 20 January 2028
5.		Xiamen Second Future	35	PRC	22111378	From 21 January 2018 to 20 January 2028
6.		Xiamen Second Future	41	PRC	22111446	From 21 January 2018 to 20 January 2028
7.		Xiamen Second Future	42	PRC	22111551	From 21 January 2018 to 20 January 2028
8.		Xiamen Second Future	16	PRC	24728639	From 21 June 2018 to 20 June 2028
9.		Xiamen Second Future	30	PRC	24714969	From 21 June 2018 to 20 June 2028
10.		Xiamen Second Future	3	PRC	24796000	From 28 June 2018 to 27 June 2028



No.	Trademark	Registered owner	Class	Place of registration	Trademark No.	Duration of validity period
11.		Xiamen Second Future	41	PRC	24718135	From 7 September 2018 to 6 September 2028
12.		Xiamen Second Future	5	PRC	24880378	From 7 September 2018 to 6 September 2028
13.		Xiamen Second Future	28	PRC	24714466	From 7 September 2018 to 6 September 2028
14.	多想	Xiamen Second Future	35	PRC	24715828	From 21 June 2018 to 20 June 2028
15.	多想	Xiamen Second Future	41	PRC	24714720	From 21 June 2018 to 20 June 2028
16.		Xiamen Second Future	41	PRC	24718975	From 7 September 2018 to 6 September 2028
17.		Xiamen Second Future	18	PRC	29070807	From 21 December 2018 to 20 December 2028
18.		Xiamen Second Future	30	PRC	28683320	From 28 December 2018 to 27 December 2028
19.		Xiamen Second Future	21	PRC	29060848	From 21 February 2019 to 20 February 2029
20.		Xiamen Second Future	9	PRC	29064667	From 28 February 2019 to 27 February 2029
21.		Xiamen Second Future	16	PRC	29062332	From 7 April 2019 to 6 April 2029

No.	Trademark	Registered owner	Class	Place of registration	Trademark No.	Duration of validity period
22.		Xiamen Second Future	24	PRC	29067512	From 7 April 2019 to 6 April 2029
23.		Xiamen Second Future	35	PRC	24728474	From 28 July 2019 to 27 July 2029
24.		Xiamen Second Future	3	PRC	24962932	From 28 June 2018 to 27 June 2028
25.		Xiamen Second Future	5	PRC	25005784	From 28 June 2018 to 27 June 2028
26.		Xiamen Second Future	41	PRC	24955849	From 28 June 2018 to 27 June 2028
27.		Xiamen Second Future	30	PRC	24976207	From 28 September 2018 to 27 September 2028
28.		Xiamen Second Future	35	PRC	24976216	From 28 September 2018 to 27 September 2028
29.	 <b>PLANET RACE</b>	Xiamen Second Future	3	PRC	25986243	From 28 August 2018 to 27 August 2028
30.	 <b>PLANET RACE</b>	Xiamen Second Future	5	PRC	26006272	From 28 August 2018 to 27 August 2028
31.	 <b>PLANET RACE</b>	Xiamen Second Future	25	PRC	26004684	From 28 August 2018 to 27 August 2028
32.	 <b>PLANET RACE</b>	Xiamen Second Future	28	PRC	25990909	From 28 August 2018 to 27 August 2028
33.	 <b>PLANET RACE</b>	Xiamen Second Future	30	PRC	26004713	From 28 August 2018 to 27 August 2028




No.	Trademark	Registered owner	Class	Place of registration	Trademark No.	Duration of validity period
34.	 <b>PLANET RACE</b>	Xiamen Second Future	35	PRC	25996960	From 28 August 2018 to 27 August 2028
35.	 <b>PLANET RACE</b>	Xiamen Second Future	41	PRC	26001813	From 28 August 2018 to 27 August 2028
36.	 <b>PLANET RACE</b>	Xiamen Second Future	9	PRC	27751225	From 28 October 2018 to 27 October 2028
37.	 <b>PLANET RACE</b>	Xiamen Second Future	18	PRC	27746384	From 28 October 2018 to 27 October 2028
38.	 <b>PLANET RACE</b>	Xiamen Second Future	20	PRC	27764328	From 28 October 2018 to 27 October 2028
39.	 <b>PLANET RACE</b>	Xiamen Second Future	24	PRC	27763151	From 28 October 2018 to 27 October 2028
40.	 <b>PLANET RACE</b>	Xiamen Second Future	38	PRC	27759877	From 28 October 2018 to 27 October 2028
41.	 <b>PLANET RACE</b>	Xiamen Second Future	16	PRC	27760181	From 7 November 2018 to 6 November 2028
42.	 <b>PLANET RACE</b>	Xiamen Second Future	21	PRC	27743987	From 7 November 2018 to 6 November 2028
43.	 <b>PLANET RACE</b>	Xiamen Second Future	43	PRC	27755572	From 7 November 2018 to 6 November 2028
44.		Xiamen Second Future	38	PRC	25999355	From 21 August 2018 to 20 August 2028

No.	Trademark	Registered owner	Class	Place of registration	Trademark No.	Duration of validity period
45.		Xiamen Second Future	41	PRC	26006412	From 21 August 2018 to 20 August 2028
46.		Xiamen Second Future	16	PRC	32194899	From 7 June 2019 to 6 June 2029
47.		Xiamen Second Future	5	PRC	32193312	From 7 June 2019 to 6 June 2029
48.		Xiamen Second Future	9	PRC	32193336	From 28 April 2020 to 27 April 2030
49.		Xiamen Second Future	3	PRC	32191048	From 7 April 2019 to 6 April 2029
50.		Xiamen Second Future	41	PRC	32178093	From 14 April 2019 to 13 April 2029
51.		Xiamen Second Future	5	PRC	32181848	From 7 June 2019 to 6 June 2029
52.		Xiamen Second Future	16	PRC	32184325	From 7 June 2019 to 6 June 2029
53.		Xiamen Second Future	9	PRC	32194785	From 28 April 2020 to 27 April 2030
54.	大美九州	Xiamen Second Future	41	PRC	24722547	From 14 May 2019 to 13 May 2029
55.	大美九州	Xiamen Second Future	35	PRC	24718061	From 28 July 2019 to 27 July 2029
56.		Xiamen Second Future	41	PRC	14011285	From 14 March 2015 to 13 March 2025
57.		Xiamen Second Future	35	PRC	14011231	From 28 April 2015 to 27 April 2025

No.	Trademark	Registered owner	Class	Place of registration	Trademark No.	Duration of validity period
58.		Xiamen Second Future	41	PRC	47997994	From 14 December 2021 to 13 December 2031
59.	多理想云	Xiamen Second Future	42	PRC	58152979	From 21 January 2022 to 20 January 2032
60.	多理想云	Xiamen Second Future	35	PRC	58139580	From 21 January 2022 to 20 January 2032
61.		Our Company	16, 35, 41, 42	Hong Kong	305851053	From 6 January 2022 to 5 January 2032

As of the Latest Practicable Date, our Group has applied for the registration of the following trademark which we consider to be material to our business:

No.	Trademark	Applicant	Class	Place of application	Application No.	Date of application
1.		Xiamen Second Future	41	PRC	65673876	30 June 2022

**b) Domain name**

As at the Latest Practicable Date, our Group is the registered proprietor of the following material registered domain names:

No.	Domain name	Registered Owner	Expiry date
1.	www.manyidea.cloud	Xiamen Second Future	4 June 2023
2.	mi-c.cn	Xiamen Second Future	1 December 2022
3.	huanliangbao.com	Xiamen Second Future	2 August 2023

The content of the website does not form part of this prospectus.

c) *Copyrights*

As at the Latest Practicable Date, our Group has signed a copyrights transfer agreement with respect to the following copyrights which we consider to be material to our business with Xiamen Many Idea, the transfer agreement has become effective on 22 November 2021.

No.	Name of copyright	Transferee	Registration number (updated subsequent to transfer)	Place of registration	First publication date
1.	Xiaoma* (《小馬》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-F-10017484	PRC	17 June 2017
2.	Xiaoma Family* (《小馬家族》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-F-10017483	PRC	4 August 2017
3.	Xiaoma Planet* (《小馬星球》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-F-10010240	PRC	15 May 2018
4.	Xiaoma Planet Theme Song* (《小馬星球主題曲》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-B-10010248	PRC	25 June 2018
5.	Xiaoma Planet “Children’s Drama Series One” * (《小馬星球《兒童劇 系列一》》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-I-10010235	PRC	30 June 2018
6.	Xiaoma Planet mg Animated Version* (《小馬星球mg 動畫版》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-F-10010253	PRC	15 May 2018
7.	Xiaoma Planet Chibi* (《小馬星球Q版》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-F-10010247	PRC	15 May 2018
8.	China Cross-Border* (《中國在跨界》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-F-10016106	PRC	14 October 2017
9.	(《TheSong》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-F-10010249	PRC	14 September 2018
10.	Xiao Song* (《小Song》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-F-10010243	PRC	14 September 2018

No.	Name of copyright	Transferee	Registration number (updated subsequent to transfer)	Place of registration	First publication date
11.	Sofa Music Festival* (《沙發音樂節》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-F-10010241	PRC	14 September 2018
12.	Drum Wave Island Beach Sofa Music Festival* (《鼓浪嶼沙灘沙發 音樂節》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-F-10010237	PRC	14 September 2018
13.	Shuang* (《爽》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-F-10010251	PRC	14 September 2018
14.	Xiaoma Planet LOGO* (《小馬星球LOGO》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-F-10010246	PRC	1 November 2017
15.	Xiaoma Planet Events Planning Programme One* (《小馬星球活動 策劃案一》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-A-10010236	PRC	15 February 2018
16.	Xiaoma Planet Children's Drama Series Two* (《小馬星球兒童劇 系列二》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-A-10010238	PRC	15 February 2018
17.	China Cross-Border Cartoon Version* (《卡通版中國在跨界》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-F-10016111	PRC	14 October 2017
18.	China Cross-Border Communication Planning Programme* (《中國在跨界溝通 策劃案》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-A-10016113	PRC	14 October 2017
19.	Infinite Sound Stage Promotion Programme* (《無限聲場推介案》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-A-10010242	PRC	15 May 2018
20.	Campus Entrepreneurial Partner Planning Programme One* (《校園創業合夥人 策劃案一》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-A-10010252	PRC	15 May 2018

No.	Name of copyright	Transferee	Registration number (updated subsequent to transfer)	Place of registration	First publication date
21.	Netease Minnan Attitude Ceremony Planning Programme* (《網易閩南態度盛典策劃案》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-A-10017489	PRC	9 January 2019
22.	DX New Stars Show Planning Programme One* (《DX 新銳秀策劃案一》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-A-10010234	PRC	9 August 2017
23.	Million Anchor Academy Project Plan* (《百萬主播學院立項方案》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-A-10010232	PRC	8 June 2019
24.	Community Carnival Planning Programme* (《社區家年華策劃案》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-A-10010233	PRC	18 June 2019
25.	Sofa Music Festival Planning Programme One* (《沙發音樂節策劃案一》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-A-10010245	PRC	14 September 2018
26.	Attitude Girl Events Planning Programme* (《態度女孩活動策劃案》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-A-10010244	PRC	6 February 2018
27.	“Xiaoma Planet” Children’s Drama Series Two* (《《小馬星球》兒童劇系列二》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-I-10010250	PRC	21 November 2018
28.	“China Cross-Border” Series One* (《《中國在跨界》系列一》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-I-10016103	PRC	9 November 2017
29.	Drum Wave Island Beach Sofa Music Festival* (《鼓浪嶼沙灘沙發音樂節》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-I-10017491	PRC	8 September 2018

No.	Name of copyright	Transferee	Registration number (updated subsequent to transfer)	Place of registration	First publication date
30.	Netease Minnan Attitude Ceremony* (《網易閩南態度盛典》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-I-10017490	PRC	22 March 2019
31.	Netease Minnan Attitude Ceremony Montaged Version* (《網易閩南態度盛典精剪版》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-I-10017492	PRC	22 March 2019
32.	Film and TV Original Music Global Summit Forum* (《影視原創音樂全球高峰論壇》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-A-10010239	PRC	16 October 2019
33.	My Yacht My Boat-Cangjin Pavilion* (《我的遊艇我的船-藏金閣》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-I-10016104	PRC	8 June 2017
34.	My Yacht My Boat-Hua Xiang Yuan* (《我的遊艇我的船-華祥苑》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-I-10016107	PRC	31 March 2017
35.	My Yacht My Boat-Jian Fu* (《我的遊艇我的船-見福》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-I-10016100	PRC	25 May 2017
36.	My Yacht My Boat-Nawang Technology* (《我的遊艇我的船-納網科技》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-I-10016105	PRC	11 September 2017
37.	My Yacht My Boat-Wan Qian Tang* (《我的遊艇我的船-萬仟堂》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-I-10016112	PRC	19 June 2017



No.	Name of copyright	Transferee	Registration number (updated subsequent to transfer)	Place of registration	First publication date
38.	My Yacht My Boat- Yao Ming Webbing* (《我的遊艇我的船- 姚明織帶》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-I-10016109	PRC	13 April 2017
39.	Fan Fan Zhi Jiao- Beichenshan Da Guo Cai* (《飯飯之交-北辰山 大鍋菜》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-I-10016099	PRC	7 March 2018
40.	Fan Fan Zhi Jiao- Xiaoye Suan Tang Yu* (《飯飯之交- 小爺酸湯魚》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-I-10016098	PRC	6 January 2018
41.	Fan Fan Zhi Jiao- Shinohara Sweet* (《飯飯之交- 篠原菓子》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-I-10016108	PRC	10 November 2017
42.	Fan Fan Zhi Jiao- Indigo Food* (《飯飯之交- 英迪格美食》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-I-10016101	PRC	14 April 2018
43.	My Yacht My Boat-Yasui* (《我的遊艇我的船- 安井》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-I-10016110	PRC	24 March 2017
44.	Fan Fan Zhi Jiao-Impressions of Nanyang* (《飯飯之交- 南洋印象》)	Xiamen Second Future	Guo Zuo Deng Zi-2022-I-10016102	PRC	2 March 2018

As at the Latest Practicable Date, our Group is the registered owner of the following copyrights which we consider to be material to our business:

		Registered owner	Registration number	Place of registration	First Publication Date
1.	Xiaoma Interesting Sports Lessons* (小馬趣味運動課)	Xiamen Second Future	Guo Zuo Deng Zi-2022-F-10183273	PRC	28 March 2022
2.	General Mobilisation (全體總動員)	Xiamen Second Future	Guo Zuo Deng Zi-2022-F-10183274	PRC	23 March 2022
3.	Beauty Creation Camp* (美麗創造營)	Xiamen Second Future	Guo Zuo Deng Zi-2022-F-10183275	PRC	16 March 2022

**d) Software Copyrights**

As of the Latest Practicable Date, our Group was the registered owner of the following software copyrights which we consider to be material to our business:

No.	Name of Software	Registered owner	Registration number	Place of registration	First Publication date
1.	Activity management system V1.0* 活動管理系統 V1.0	Xiamen Second Future	2022SR0074250	PRC	22 March 2014
2.	Advertising big data management software V1.0* 廣告大數據管理軟件 V1.0	Xiamen Second Future	2022SR0074228	PRC	30 July 2014
3.	Media flow detection system V1.0* 媒體流量檢測系統 V1.0	Xiamen Second Future	2022SR0074246	PRC	15 March 2016
4.	Customer advertising system V1.0* 客戶廣告投放系統 V1.0	Xiamen Second Future	2022SR0074249	PRC	4 February 2015
5.	Brand strategy service system V1.0* 品牌策略服務系統 V1.0	Xiamen Second Future	2022SR0074245	PRC	10 October 2015

No.	Name of Software	Registered owner	Registration number	Place of registration	First Publication date
6.	Cloud data advertising media marketing system V1.0* 雲數據廣告傳媒營銷系統 V1.0	Xiamen Second Future	2022SR0074234	PRC	30 November 2016
7.	Performance media playback management software V1.0* 演出媒體播放管理軟件 V1.0	Xiamen Second Future	2022SR0074235	PRC	30 September 2016
8.	Sports centre data management software V1.0* 運動場館數據管理軟件 V1.0	Xiamen Second Future	2022SR0074233	PRC	22 April 2016
9.	Events registration system V1.0* 賽事報名系統 V1.0	Xiamen Second Future	2022SR0074242	PRC	13 July 2016
10.	Elderly sports health detection system V1.0* 老年運動健康檢測系統 V1.0	Xiamen Second Future	2022SR0074248	PRC	16 June 2016
11.	Big data speed analysis system for bicycle race V1.0* 自行車賽大數據速度分析系統 V1.0	Xiamen Second Future	2022SR0074230	PRC	13 May 2016
12.	Advertising agency publishing system V1.0* 廣告代理發佈系統 V1.0	Xiamen Second Future	2022SR0074252	PRC	30 December 2014
13.	Conference management system V1.0* 會議管理系統 V1.0	Xiamen Second Future	2022SR0074251	PRC	15 August 2014
14.	Marathon crowd data analysis system V1.0* 馬拉松人群數據分析系統 V1.0	Xiamen Second Future	2022SR0074247	PRC	14 April 2016

No.	Name of Software	Registered owner	Registration number	Place of registration	First Publication date
15.	Events planning management system V1.0* 活動策劃管理系統 V1.0	Xiamen Second Future	2022SR0074253	PRC	27 April 2014
16.	Exhibition and conference affairs backstage management system (Abb: Exhibition and conference affairs backstage) V1.0* 展會會務後台管理系統 (簡稱：展會會務後台) V1.0	Xiamen Second Future	2022SR0074231	PRC	18 June 2019
17.	Exhibition and conference affairs management (mini programme) system (Abb: Exhibition and conference affairs) V1.0* 展會會務管理(小程序)系統 (簡稱：展會會務) V1.0	Xiamen Second Future	2022SR0074232	PRC	18 June 2019
18.	Social E-commerce platform (parent-children version) mini programme system (Abb: parent-children E-commerce platform) V1.0* 社群電商平台(親子版)小程序系統(簡稱：親子電商平台) V1.0	Xiamen Second Future	2022SR0074238	PRC	8 January 2019
19.	Community E-commerce platform (university version) mini programme system (Abb: university E-commerce platform) V1.0* 社群電商平台(大學版)小程序系統(簡稱：大學電商平台) V1.0	Xiamen Second Future	2022SR0074240	PRC	22 January 2019
20.	Community E-commerce platform (parent-children version) backstage management system V1.0* 社群電商平台(親子版)後台管理系統 V1.0	Xiamen Second Future	2022SR0074239	PRC	8 January 2019

No.	Name of Software	Registered owner	Registration number	Place of registration	First Publication date
21.	Community E-commerce platform (university version) backstage management system (Abb: university E-commerce platform backstage) V1.0* 社群電商平台(大學版)後台管理系統(簡稱:大學電商平台後台) V1.0	Xiamen Second Future	2022SR0074241	PRC	22 January 2019
22.	Online community (parent-children version) backstage management system (Abb: parent-children community backstage) V1.0* 線上社區(親子版)後台管理系統(簡稱:親子社區後台) V1.0	Xiamen Second Future	2022SR0074237	PRC	8 January 2019
23.	Online community (parent-children version) mini programme system (Abb: parent-children community) V1.0* 線上社區(親子版)小程序系統(簡稱:親子社區) V1.0	Xiamen Second Future	2022SR0074236	PRC	8 January 2019
24.	Parent-children activities registration management (mini programme) system V1.0* 親子活動報名管理(小程序)系統V1.0	Xiamen Second Future	2022SR0074244	PRC	8 January 2019
25.	Parent-children activities registration backstage management system (Abb: parent-children registration backstage) V1.0* 親子活動報名後台管理系統(簡稱:親子報名後台) V1.0	Xiamen Second Future	2022SR0074243	PRC	8 January 2019

No.	Name of Software	Registered owner	Registration number	Place of registration	First Publication date
26.	Many Idea Cloud large-screen interactive editing system (ABB: large-screen interactive editing system) V1.0 多想雲大屏互動編輯器系統 (簡稱：大屏互動編輯器系統) V1.0	Xiamen Second Future	2021SR1641652	PRC	21 October 2020
27.	Many Idea Cloud Content Engine SaaS platform system (ABB: Content Engine SaaS platform system) V1.0 多想雲內容引擎SaaS平台系統 (簡稱：內容引擎SaaS平台系統) V1.0	Xiamen Second Future	2021SR1641653	PRC	10 April 2021
28.	Many Idea Cloud creative interactive content AI intelligent recommendation system (ABB: intelligent recommendation system) V1.0 多想雲創意互動內容AI智能推薦系統 (簡稱：智能推薦系統) V1.0	Xiamen Second Future	2021SR1641655	PRC	14 March 2021
29.	Many Idea Cloud interactive marketing editing system (ABB: interactive marketing editing system) V1.0 多想雲互動營銷編輯器系統 (簡稱：互動營銷編輯器系統) V1.0	Xiamen Second Future	2021SR1641656	PRC	25 November 2020
30.	Many Idea Cloud interactive big data labelling system and application system (ABB: interactive big data labelling system and application system) V1.0 多想雲互動大數據標籤體系及應用系統 (簡稱：互動大數據標籤體系及應用系統) V1.0	Xiamen Second Future	2021SR1641657	PRC	27 July 2021

Except as aforesaid, there are no other trade or service marks, patents, other intellectual or industrial property rights which are or may be material in relation to the business of our Group.

### 3. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

#### 3.1. Disclosure of Interests

##### *3.1.1. Interests and short positions of our Directors and the chief executive in the shares, underlying shares or debentures of our Company and our associated corporations*

As at the date of this prospectus and immediately following the completion of the Capitalisation Issue and the Global Offering and without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option or any options that may be granted under the Share Option Scheme or Shares to be converted under Pre-HKIPO Loans, the interests and/or short positions of our Directors and the chief executive of our Company in the shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or will be required, pursuant to section 352 of the SFO, to be entered in the register kept by our Company referred to in that section, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to our Company and the Hong Kong Stock Exchange, will be as follows:

##### *Long Positions in Shares of our Company*

Name of Director	Capacity/ Nature of Interest	Shares held as of the date of this prospectus		Immediately following the completion of the Global Offering (assuming that the Pre-HKIPO Loans are not converted into Shares)		Immediately following the completion of the Global Offering (assuming that the Pre-HKIPO Loans were converted into Shares)	
		Number of Shares/ interests held	Approximate percentage of shareholding	Number of Shares/ Interests held	Approximate percentage of shareholding	Number of Shares/ Interests held	Approximate percentage of shareholding
Mr. Liu	Interest in controlled corporation <sup>(2)</sup>	9,122,949	20.3840%	130,457,399	16.3072%	130,457,399	15.8630%
	Interest in controlled corporation <sup>(3)</sup>	8,834,380	19.7392%	126,330,885	15.7914%	126,330,885	15.3613%
	Interest of spouse <sup>(4)</sup>	110,427	0.2467%	1,579,097	0.1974%	1,579,097	0.1920%
Mr. Chen SC	Interest in controlled corporation <sup>(5)</sup>	1,057,341	2.3625%	15,119,887	1.8900%	15,119,887	1.8385%
Ms. Huang	Interest in controlled corporation <sup>(6)</sup>	1,057,341	2.3625%	15,119,887	1.8900%	15,119,887	1.8385%
Mr. Chen ZM	Interest in controlled corporation <sup>(7)</sup>	137,293	0.3068%	1,963,278	0.2454%	1,963,278	0.2387%
Ms. Qu	Interest of spouse <sup>(4)</sup>	9,122,949	20.3840%	130,457,399	16.3072%	130,457,399	15.8630%
	Interest of spouse <sup>(4)</sup>	8,834,380	19.7392%	126,330,885	15.7914%	126,330,885	15.3613%
	Interest in controlled corporation <sup>(8)</sup>	110,427	0.2467%	1,579,097	0.1974%	1,579,097	0.1920%



*Notes:*

1. All interests stated are long positions.
2. The said Shares were held in the name of Many Idea Liujianhui. The entire issued share capital of Many Idea Liujianhui is wholly owned by Mr. Liu. Accordingly, Mr. Liu is deemed to be interested in such number of Shares held by Many Idea Liujianhui by virtue of the SFO.
3. The said Shares were held in the name of Xiamen Dream Future. Xiamen Dream Future is owned as to 90% by ZJJ Many Idea, 9.9% by Mr. Liu and 0.1% by Ms. Qu. ZJJ Many Idea is owned as to 99% by Mr. Liu and 1% by Ms. Qu. Accordingly, ZJJ Many Idea is deemed to be interested in such number of Shares held by Xiamen Dream Future by virtue of the SFO.
4. As Mr. Liu is the spouse of Ms. Qu and vice versa, and they are each deemed under the SFO to be interested in the Shares directly held by each other.
5. The said Shares were held in the name of Many Idea ChenShancheng Limited. The entire issued share capital of Many Idea ChenShancheng Limited is wholly owned by Mr. Chen SC. Accordingly, Mr. Chen SC is deemed to be interested in such number of Shares held by Many Idea ChenShancheng Limited by virtue of the SFO.
6. The said Shares were held in the name of Many Idea Huangtingting Limited. The entire issued share capital of Many Idea Huangtingting Limited is wholly owned by Ms. Huang. Accordingly, Ms. Huang is deemed to be interested in such number of Shares held by Many Idea Huangtingting Limited by virtue of the SFO.
7. The said Shares were held in the name of Many Idea ChenZeming Limited. The entire issued share capital of Many Idea ChenZeming Limited is wholly owned by Mr. Chen ZM. Accordingly, Mr. Chen ZM is deemed to be interested in such number of Shares held by Many Idea ChenZeming Limited by virtue of the SFO.
8. The said Shares were held in the name of Many Idea Qushuo. The entire issued share capital of Many Idea Qushuo is wholly owned by Ms. Qu. Accordingly, Ms. Qu is deemed to be interested in such number of Shares held by Many Idea Qushuo by virtue of the SFO.

***3.1.2. Interests of our Substantial Shareholders***

So far as is known to any Director or chief executive of our Company as at the date of this prospectus, and immediately following the completion of the Capitalisation Issue and the Global Offering and without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option or any options that may be granted under the Share Option Scheme or Shares to be converted under Pre-HKIPO Loans, the following persons (other than a Director or chief executive of our Company) will have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the

SFO, or are, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group:

*Long Positions in Shares of our Company*

Name of Shareholder	Capacity/ Nature of Interest	Shares held as of the date of this prospectus		Immediately following the completion of the Global Offering (assuming that the Pre-HKIPO Loans are not converted into Shares) <sup>(2)</sup>		Immediately following the completion of the Global Offering (assuming that the Pre-HKIPO Loans were converted into Shares) <sup>(3)</sup>	
		Number of Shares/ interests held	Approximate percentage of shareholding	Number of Shares/ interests held	Approximate percentage of shareholding	Number of Shares/ interests held	Approximate percentage of shareholding
Many Idea Liujianhui	Beneficial owner <sup>(4)</sup>	9,122,949	20.3840%	130,457,399	16.3072%	130,457,399	15.8630%
ZJJ Many Idea	Interest in controlled corporation <sup>(5)</sup>	8,834,380	19.7392%	126,330,885	15.7914%	126,330,885	15.3613%
Xiamen Dream Future	Beneficial owner <sup>(5)</sup>	8,834,380	19.7392%	126,330,885	15.7914%	126,330,885	15.3613%
Many Idea Qushuo	Beneficial owner <sup>(6)</sup>	110,427	0.2467%	1,579,097	0.1974%	1,579,097	0.1920%

*Notes:*

- All interests stated are long positions.
- The calculation for the percentage of interest in our Company is based on the total number of 800,000,000 Shares in issue immediately following the completion of the Global Offering and assuming that the Pre-HKIPO Loans are not converted into Shares, the Over-allotment Option is not exercised and without taking into account any Shares which may be issued upon the exercise of any options granted or to be granted under the Share Option Scheme or Shares to be converted under Pre-HKIPO Loans.
- The calculation for the percentage of interest in our Company is based on the total number of 822,399,345 Shares in issue immediately following the completion of the Global Offering and assuming that the Pre-HKIPO Loans were converted into Shares, the Over-allotment Option is not exercised and without taking into account any Shares which may be issued upon the exercise of any options granted or to be granted under the Share Option Scheme.
- The said Shares were held in the name of Many Idea Liujianhui. The entire issued share capital of Many Idea Liujianhui is wholly owned by Mr. Liu. Accordingly, Mr. Liu is deemed to be interested in such number of Shares held by Many Idea Liujianhui by virtue of the SFO.
- The said Shares were held in the name of Xiamen Dream Future. Xiamen Dream Future is owned as to 90% by ZJJ Many Idea, 9.9% by Mr. Liu and 0.1% by Ms. Qu. ZJJ Many Idea is owned as to 99% by Mr. Liu and 1% by Ms. Qu. Accordingly, ZJJ Many Idea is deemed to be interested in such number of Shares held by Xiamen Dream by virtue of the SFO.
- The said Shares were held in the name of Many Idea Qushuo. The entire issued share capital of Many Idea Qushuo is wholly owned by Ms. Qu. Accordingly, Ms. Qu is deemed to be interested in such number of Shares held by Many Idea Qushuo by virtue of the SFO.

### 3.2. Directors' service contracts and letters of appointment

#### *Executive Directors*

Each of our executive Directors (namely, Mr. Liu, Ms. Qu, Ms. Huang, Mr. Chen SC and Mr. Chen ZM) has entered into a service contract with our Company pursuant to which he/she agreed to act as an executive Director for an initial term of three years with effect from 12 October 2022.

Each of our executive Directors is entitled to a basic salary set out below. In addition, our executive Directors are also entitled to a discretionary management bonus taking into consideration the financial performance of our Group and the relevant Director's individual contribution to our Group for the financial year concerned. An executive Director may not vote on any resolution of our Directors regarding the amount of the management bonus payable to him. The current basic annual salaries of our executive Directors are as follows:

Name	Annual salary (RMB)
Mr. Liu	1,014,000
Ms. Qu	650,000
Ms. Huang	973,440
Mr. Chen SC	947,232
Mr. Chen ZM	320,736

#### *INEDs*

Each of Ms. Wang Yingbin, Ms. Wong Yan Ki, Angel and Mr. Tian Tao, being the independent non-executive Directors, has entered into a letter of appointment with our Company on 12 October 2022. Each letter of appointment is for an initial term of three years commencing on the Listing Date and will continue unless terminated earlier in accordance with the terms of their letter of appointment. The appointments of the independent non-executive Directors are subject to the provisions of retirement and rotation of Directors under the Articles. Each of Ms. Wang Yingbin and Mr. Tian Tao is entitled to an annual director's fee of HK\$150,000, and Ms. Wong Yan Ki, Angel is entitled to an annual director's fee of HK\$180,000. Save for Directors' fees, none of our INEDs is expected to receive any other remuneration for holding their office as an INED.

**3.3. Directors' remuneration**

- (a) The aggregate emoluments paid to our Directors by our Group in respect of the Track Record Period were approximately RMB2.4 million, RMB2.7 million, RMB3.3 million and RMB1.2 million, respectively.
- (b) Under the arrangements currently in force, the aggregate emoluments (excluding discretionary bonus) payable by our Group to and benefits in kind receivable by our Directors (including the INEDs in their respective capacity as Directors) for the year ending 31 December 2022 will be approximately RMB3.9 million.
- (c) None of our Directors or any past directors of any member of our Group has been paid any sum of money for the Track Record Period (i) as an inducement to join or upon joining our Company or (ii) for loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.
- (d) There has been no arrangement under which a Director has waived or agreed to waive any emoluments for the Track Record Period.

**3.4. Disclaimers**

- (i) Save as disclosed in paragraph 3.1.1. under this appendix, none of our Directors or chief executive of our Company has any interests or short positions in the shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register kept by our Company referred to in that section, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to our Company and the Hong Kong Stock Exchange, as at the date of this prospectus and once the Shares are listed on the Hong Kong Stock Exchange;

- (ii) save as disclosed in paragraph 3.1.2. under this appendix, so far as is known to any Director or chief executive of our Company, no person (other than a Director or chief executive of our Company) has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group as at the date of this prospectus and once the Shares are listed on the Hong Kong Stock Exchange;
- (iii) save as disclosed in the section headed “History, Reorganisation and Corporate Structure” in this prospectus, none of our Directors nor any of the persons listed in paragraph 4.7. below of this appendix is interested in the promotion of, or in any assets which have been, within the two years immediately preceding the issue of this prospectus, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (iv) save as disclosed in the sections headed “History, Reorganisation and Corporate Structure — Reorganisation” and “Relationship with Controlling Shareholders” in this prospectus, none of our Directors is materially interested in any contract or arrangement with our Group subsisting at the date of this prospectus which is unusual in its nature or conditions or which is significant in relation to the business of our Group;
- (v) save in connection with the Underwriting Agreements, none of the persons listed in paragraph 4.7. under of this appendix has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group;
- (vi) save for the Underwriting Agreements, none of the persons listed in the paragraph 4.7. below of this appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;
- (vii) save as disclosed in paragraph 3.2. under this appendix, none of our Directors has entered or has proposed to enter into any service agreements with our Company or any member of our Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation);

- (viii) so far as is known to our Directors, none of our Directors or their close associates or any Shareholder (which to the knowledge of our Directors owns more than 5% of the number of issued share capital of our Company) has any interest in any of the five largest suppliers or customers of our Group during the Track Record Period; and
- (ix) saved as disclosed in the section headed “Relationship with Controlling Shareholders” in this prospectus, none of our Directors are interested in any business apart from our Group’s business which competes or is likely to compete, directly or indirectly, with the business of our Group.

### 3.5. Share Option Scheme

#### (a) *Summary of terms*

The following is a summary of the principal terms of the Share Option Scheme conditionally adopted by a resolution of our Shareholders passed on 12 October 2022:

##### (i) *Purpose of the scheme*

The purpose of the Share Option Scheme is to enable our Group to grant options to selected participants as incentives or rewards for their contribution to our Group. Our Directors consider the Share Option Scheme, with its broadened basis of participation, will enable our Group to reward the employees, our Directors and other selected participants for their contributions to our Group. Given that our Directors are entitled to determine any performance targets to be achieved as well as the minimum period that an option must be held before an option can be exercised on a case by case basis, and that the exercise price of an option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by our Directors, it is expected that grantees of an option will make an effort to contribute to the development of our Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the options granted.

##### (ii) *Who may join*

Our Directors may at any time within a period of ten years commencing from the date of adoption of the Share Option Scheme, at its absolute discretion, in accordance with the provisions of the Share Option Scheme and the Listing Rules make an offer to any person belonging to any of the following classes of participants (“**Eligible Participant**”), to take up options to subscribe for Shares:

- (aa) any employee (“**Eligible Employee**”) (whether full-time or part-time including any executive director but excluding any non-executive director) of our Company, any of our subsidiaries or any entity (“**Invested Entity**”) in which any member of our Group holds an equity interest;
- (bb) any non-executive directors (including INEDs) of our Company, any of our subsidiaries or any Invested Entity;
- (cc) any supplier of goods or services to any member of our Group or any Invested Entity;
- (dd) any customer of any member of our Group or any Invested Entity;
- (ee) any person or entity that provides research, development or other technological support to any member of our Group or any Invested Entity;
- (ff) any shareholder of any member of our Group or any Invested Entity or any holder of any securities issued by any member of our Group or any Invested Entity;
- (gg) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of our Group or any Invested Entity; and
- (hh) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of our Group;

and, for the purposes of the Share Option Scheme, the offer for the grant of option may be made to any company wholly owned by one or more Eligible Participants.

For avoidance of doubt, the grant of any options by our Company for the subscription of Shares or other securities of our Group to any person who falls within any of the above classes of Eligible Participants shall not, by itself, unless our Directors otherwise determine, be construed as a grant of option under the Share Option Scheme.

The eligibility of any of the Eligible Participants to an offer for the grant of any option shall be determined by our Directors from time to time on the basis of our Directors’ opinion as to his contribution to the development and growth of our Group.



(iii) *Maximum number of the Shares available for subscription*

- (aa) The maximum number of Shares which may be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by our Group must not in aggregate exceed 30% of the share capital of our Company in issue from time to time.
- (bb) The total number of the Shares which may be allotted and issued upon the exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of our Group) to be granted under the Share Option Scheme and any other share option scheme of our Group must not in aggregate exceed 10% of the Shares in issue on the Listing Date (“**General Scheme Limit**”) (such 10% being 80,000,000 Shares, assuming that the Over-allotment Option is not exercised and no Shares are converted pursuant to the Pre-HKIPO Loans).
- (cc) Subject to (aa) above but without prejudice to (dd) below, our Company may seek approval of the Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of our Group must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit and, for the purpose of calculating the refreshed limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option scheme of our Group) previously granted under the Share Option Scheme and any other share option scheme of our Group will not be counted. The circular sent by our Company to the Shareholders shall contain, among other information, the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

(dd) Subject to (aa) above and without prejudice to (cc) above, our Company may seek separate Shareholders' approval in general meeting to grant options beyond the General Scheme Limit or, if applicable, the refreshed limit referred to in (cc) above to participants specifically identified by our Company before such approval is sought. In such event, our Company must send a circular to the Shareholders containing a generic description of the specified participants, the number and terms of options to be granted, the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose and such other information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

*(iv) Maximum entitlement of each participant*

The total number of Shares issued and which may fall to be issued upon the exercise of the options granted under the Share Option Scheme and any other share option scheme of our Group (including both exercised and outstanding options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of our Company for the time being ("**Individual Limit**"). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant must be separately approved by the Shareholders in general meeting of our Company with such grantee and his close associates (or his associates if the grantee is a connected person) abstaining from voting. Our Company must send a circular to the Shareholders, containing the information required under the Listing Rules. The number and terms (including the exercise price) of options to be granted must be fixed before the approval of the Shareholders and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under note (1) to Rule 17.03(9) of the Listing Rules.

*(v) Grant of options to our Directors, chief executive or Substantial Shareholders of our Company or their respective associates*

(aa) Any offer for the grant of options under the Share Option Scheme to a Director, chief executive or Substantial Shareholder of our Company or any of their respective associates must be approved by INEDs (excluding INED who or whose associates is the proposed grantee of the options).

- (bb) Where any grant of options to a Substantial Shareholder or an INED or any of their respective associates would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
- (i) representing in aggregate over 0.1% of the Shares in issue; and
  - (ii) having an aggregate value, based on the closing price of the Shares at the date of each offer for the grant, in excess of HK\$5 million;

such further grant of options must be approved by Shareholders in general meeting. Our Company must send a circular to the Shareholders, containing such information are required under the Listing Rules. The grantee, his associates and all core connected persons of our Company must abstain from voting in favour at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular. Any vote taken at the meeting to approve the grant of such options must be taken on a poll.

Any change in the terms of options granted to a Substantial Shareholder or an INED or any of their respective associates must be approved by the Shareholders in general meeting.

*(vi) Time of acceptance and exercise of option*

An option may be accepted by a participant within 21 days from the date of the offer for the grant of the option.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by our Directors to each grantee, which period ("**Option Period**") may commence from the date of the offer for the grant of options is made, but shall end in any event not later than 10 years from the date of the offer for the grant of the option subject to the provisions for early termination thereof. Unless otherwise determined by our Directors and stated in the offer for the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

(vii) *Performance targets*

Unless our Directors otherwise determined and stated in the offer for the grant of options to a grantee, a grantee is not required to achieve any performance targets before any options granted under the Share Option Scheme can be exercised.

(viii) *Subscription price for the Shares and consideration for the option*

The subscription price for the Shares under the Share Option Scheme shall be a price determined by our Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Hong Kong Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the date of the offer for the grant of the option, which must be a business day; (ii) the average closing price of Shares as stated in the Hong Kong Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of the offer for the grant of the option; and (iii) the nominal value of a Share.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

(ix) *Ranking of the Shares*

- (aa) The Shares allotted and issued upon the exercise of an option will be subject to all the provisions of the Articles of Association of our Company for the time being in force and will rank *pari passu* in all respects with the then fully paid Shares in issue on the date on which the option is duly exercised or, if that date falls on a day when the register of members of our Company is closed, the first day of the re-opening of the register of members (the "**Exercise Date**") and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted and issued upon the exercise of an option shall not carry voting rights until the name of the grantee has been duly entered on the register of members of our Company as the holder thereof.

(bb) Unless the context otherwise requires, references to “Shares” in the context of the Share Option Scheme include references to shares in the ordinary equity share capital of our Company of such nominal amount as shall result from a subdivision, consolidation, re-classification or reconstruction of the share capital of our Company from time to time.

(x) *Restrictions on the time of the offer for the grant of options*

No offer for grant of options shall be made after inside information has come to our Company’s knowledge until we have announced the information. In particular, during the period commencing one month immediately preceding the earlier of (aa) the date of the Board meeting (as such date is first notified to the Hong Kong Stock Exchange in accordance with the Listing Rules) for the approval of our Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and (bb) the deadline for our Company to publish an announcement of its results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcement (covering any period of delay in publishing the results announcement), no offer for the grant of options may be made.

Our Directors may not make any offer for the grant of options to a participant who is a Director during the periods or times in which Directors are prohibited from dealing in Shares pursuant to Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by our Company.

(xi) *Period of the Share Option Scheme*

The Share Option Scheme will remain in force for a period of 10 years (“**Termination Date**”) commencing on the date on which the Share Option Scheme is adopted.

*(xii) Rights on ceasing employment*

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death, ill-health or retirement in accordance with his contract of employment or the termination of his employment on one or more of the grounds referred to in sub-paragraph (xiv) below before exercising his option in full, the option (to the extent not already exercised) will lapse on the date of cessation and shall not be exercisable unless our Directors otherwise determine in which event the grantee may exercise the option (to the extent not already exercised) in whole or in part in accordance with the provisions of the Share Option Scheme within such period as our Directors may determine following the date of such cessation, which will be taken to be the last day on which the grantee was at work with our Group or the Invested Entity whether salary is paid in lieu of notice or not.

*(xiii) Rights on death, ill-health or retirement*

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the option in full, his personal representative(s), or, as appropriate, the grantee may exercise the option (to the extent not already exercised) in whole or in part in accordance with the provisions of the Share Option Scheme within a period of 12 months following the date of cessation of employment which date shall be the last day on which the grantee was at work with our Group or the Invested Entity whether salary is paid in lieu of notice or not or such longer period as our Directors may determine.

*(xiv) Rights on dismissal*

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee by reason of a termination of his employment on the grounds that he has been guilty of persistent or serious misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of our Directors does not bring the grantee or our Group or the Invested Entity into disrepute), his option (to the extent not already exercised) will lapse automatically on the date of cessation to be an Eligible Employee.

*(xv) Rights on breach of contract*

If in respect of a grantee other than an Eligible Employee, our Directors shall at their absolute discretion determine that (aa) (1) the grantee or his associate has committed any breach of any contract entered into between the grantee or his associate on the one part and our Group or any Invested Entity on the other part; or (2) the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (3) the grantee could no longer make any contribution to the growth and development of our Group by reason of the cessation of its relations with our Group or by other reason whatsoever; and (bb) the option granted to the grantee under the Share Option Scheme shall lapse as a result of any event specified in sub-paragraph (1), (2) or (3) above, his option will lapse automatically on the date on which our Directors have so determined.

*(xvi) Rights on a general offer or a scheme of arrangement*

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, our Company shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the options granted to them, Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to Shareholders of our Company, a grantee shall be entitled to exercise his option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to our Company in exercise of his option in accordance with the provisions of the Share Option Scheme at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under such scheme of arrangement, as the case may be. Subject to the above, an option will lapse automatically (to the extent not exercised) on the date which such offer (or, as the case may be, revised offer) closed or the relevant date for entitlements under such scheme of arrangement, as the case may be.



*(xvii) Rights on winding up*

In the event of a resolution being proposed for the voluntary winding-up of our Company during the Option Period, the grantee may, subject to the provisions of all applicable laws, by notice in writing to our Company at any time not less than two business days before the date on which such resolution is to be considered and/or passed, exercise his option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the Share Option Scheme and our Company shall allot and issue to the grantee the Shares in respect of which such grantee has exercised his option not less than one business day before the date on which such resolutions is to be considered and/or passed whereupon he shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of our Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all options then outstanding shall lapse and determine on the commencement of the winding-up of our Company.

*(xviii) Grantee being a company wholly owned by Eligible Participants*

If the grantee is a company wholly owned by one or more Eligible Participants:

- (aa) sub-paragraphs (xii), (xiii), (xiv) and (xv) shall apply to the grantee and to the options granted to such grantee, *mutatis mutandis*, as if such options had been granted to the relevant Eligible Participant, and such options shall accordingly lapse or fall to be exercisable after the event(s) referred to in sub-paragraphs (xii), (xiii), (xiv) and (xv) shall occur with respect to the relevant Eligible Participant; and
- (bb) the options granted to the grantee shall lapse and terminate on the date the grantee ceases to be wholly owned by the relevant Eligible Participant provided that our Directors may in their absolute discretion decide that such options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

*(xix) Adjustments to the subscription price*

In the event of a capitalisation issue, rights issue, subdivision or consolidation of Shares or reduction of capital of our Company whilst an option remains exercisable, such corresponding adjustment (if any) certified by the auditors for the time being or an independent financial adviser to our Company as fair and reasonable will be made to the number or nominal amount of Shares comprised in an option or which remains comprised in an Option or to which the Share Option Scheme or any option(s) relates (so far as unexercised) and/or the option price of the option concerned, provided that (i) any adjustments shall give a grantee the same proportion of the issued share capital of our Company to which he was entitled prior to such alteration; (ii) the issue of Shares or other securities of our Group as consideration in a transaction may not be regarded as a circumstance requiring adjustment; (iii) no adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; (iv) notwithstanding (i) above, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, should be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per share figures and any such adjustment shall comply with the supplementary guidance on Rule 17.03(13) of the Listing Rules as set out in the letter issued by the Hong Kong Stock Exchange dated 5 September 2005; and (v) any adjustment must be made in compliance with the Listing Rules and such applicable rules, codes, guidance notes and/or interpretation of the Listing Rules from time to time promulgated by the Hong Kong Stock Exchange. In addition, in respect of any such adjustments, other than any adjustment made on a capitalisation issue, such auditors or independent financial adviser must confirm to our Directors in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

*(xx) Cancellation of options*

Subject to the provisions of the Share Options Scheme and Chapter 17 of the Listing Rules, any cancellation of options granted but not exercised must be subject to the prior written consent of the relevant grantee and the approval of our Directors.

When our Company cancels any option granted to a grantee but not exercised and issues new option(s) to the same grantee, the issue of such new option(s) may only be made with available unissued options (excluding the options so cancelled) within the General Scheme Limit or the new limits approved by the Shareholders pursuant to subparagraphs (iii) (cc) and (dd) above.

*(xxi) Termination of the Share Option Scheme*

Our Company may by resolution in general meeting at any time terminate the Share Option Scheme and in such event no further options shall be offered but in all other respects the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

*(xxii) Rights are personal to the grantee*

An option is personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any option or enter into any agreements so to do.

*(xxiii) Lapse of option*

The Option Period in respect of any option shall terminate automatically and that an option (to the extent not already exercised) shall lapse automatically on the earliest of:

- (aa) the expiry of the Option Period in respect of such option;
- (bb) the expiry of the periods or dates referred to in paragraphs (xii), (xiii), (xiv), (xv), (xvi), (xvii) and (xviii); and
- (cc) the date on which our Directors exercise our Company's right to cancel the option by reason of a breach of paragraph (xxii) above by the grantee.

*(xxiv) Miscellaneous*

- (aa) The Share Option Scheme is conditional upon the Listing Committee of the Hong Kong Stock Exchange granting the listing of, and permission to deal in, such number of Shares representing the General Scheme Limit to be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme.

- (bb) Provisions of the Share Option Scheme as to the definitions of “Eligible Participants”, “grantee”, “Option Period” and “Termination Date” and the terms and conditions of the Share Option Scheme relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees of the options except with the prior approval of the Shareholders in general meeting.
- (cc) Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme.
- (dd) The terms of the Share Option Scheme and any amended terms of the Share Option Scheme or the options shall comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (ee) Any change to the authority of our Directors or the scheme administrators in relation to any alteration to the terms of the Share Option Scheme shall be approved by the Shareholders in general meeting.

**(b) *Present status of the Share Option Scheme***

*(i) Application for approval*

Application has been made to the Listing Committee of the Hong Kong Stock Exchange for the listing of and permission to deal in the Shares to be issued within the General Scheme Limit pursuant to the exercise of any options which may be granted under the Share Option Scheme.

*(ii) Grant of options*

As at the date of this prospectus, no options have been granted or agreed to be granted under the Share Option Scheme.

(iii) *Value of options*

Our Directors consider it inappropriate to disclose the value of options which may be granted under the Share Option Scheme as if they had been granted as at the Latest Practicable Date. Any such valuation will have to be made on the basis of certain option pricing model or other methodology, which depends on various assumptions including, the exercise price, the exercise period, interest rate, expected volatility and other variables. As no options have been granted, certain variables are not available for calculating the value of options. Our Directors believe that any calculation of the value of options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to investors.

(iv) *Compliance with Listing Rules*

The Share Option Scheme complies with Chapter 17 of the Listing Rules.

#### 4. OTHER INFORMATION

##### 4.1. Estate duty, tax and other indemnities

Our Controlling Shareholders (the “**Indemnifiers**”) have entered into the Deed of Indemnity with and in favour of our Company (for itself and as trustee for each of its present subsidiaries) (being the material contract (ss) referred to in paragraph 2.1. under this appendix) to provide indemnities on a joint and several basis, in respect of, among other matters:

- (a) any liability for Hong Kong estate duty which might be incurred by any member of our Group by reason of any relevant transfer of property (within the meaning of sections 35 and 43 of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) or the equivalent thereof under the laws of any jurisdiction outside Hong Kong) to any member of our Group at any time on or before the Listing; and
- (b) tax liabilities (including all actual fines, penalties, liabilities, costs, charges, expenses and interests relating to taxation) which might be payable by any member of our Group in respect of any income, profits or gains earned, accrued or received on or before the date of Listing, or any transactions, events, matters or things entered into or occurring on or before the Listing Date, whether alone or in conjunction with any other circumstances whenever occurring and whether or not such tax liabilities are chargeable against or attributable to any other person, firm, company or corporation.

The Indemnifiers are under no liability under the Deed of Indemnity in respect of any taxation:

- (a) to the extent that provision or reserve has been made for such taxation in the audited accounts of any member of our Group for any accounting period up to 31 December 2021 (“**Accounts Date**”); or
- (b) to the extent that such taxation or liability for such taxation falling on any of the members of our Group in respect of their accounting periods commencing on the calendar day immediately after the Accounts Date and ending on the Listing Date, where such taxation or liability would not have arisen but for some act or omission of, or transaction voluntarily entered into by any member of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) without the prior written consent or agreement of the Indemnifiers, other than any such act, omission or transaction carried out, made or entered into pursuant to a legally binding commitment created on or before the Accounts Date or pursuant to any statement of intention made in this prospectus; or
- (c) to the extent that such taxation liabilities or claim arise or are incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law, rules and regulations or the interpretation or practice thereof by the Hong Kong Inland Revenue Department or the taxation authority of the PRC, or any other relevant authority (whether in Hong Kong or the PRC or any other part of the world) coming into force after the date of the Deed of Indemnity or the extent such a claim or liability arises or is increased by an increase in rates of taxation after the date of the Deed of Indemnity with retrospective effect; or
- (d) to the extent that any provision or reserve made for taxation in the audited accounts of any member of our Group up to the Accounts Date which is finally established to be an over-provision or an excessive reserve in which case the Indemnifiers’ liability (if any) in respect of such taxation shall be reduced by an amount not exceeding such provision or reserve, provided that the amount of any such provision or reserve applied pursuant to this paragraph to reduce the Indemnifiers’ liability in respect of taxation shall not be available in respect of any such liability arising thereafter.

Under the Deed of Indemnity, the Indemnifiers have also undertaken to jointly and severally indemnify and at all times keep the members of our Group and each of them fully indemnified on demand against any depletion in or reduction in value of their assets or any loss (including all legal costs and suspension of operation), cost, expenses, damages or other liabilities which such member of our Group may incur or suffer arising from or in connection with the implementation of the Reorganisation.

Pursuant to the Deed of Indemnity, the Indemnifiers have on a joint and several basis undertaken to indemnify and at all times keep the members of our Group and each of them fully indemnified on demand against:

- (a) any costs, claims, damages, expenses, losses, penalties, liabilities, actions and proceedings which any member of our Group may incur, suffer, accrue, directly or indirectly, from any act of any member of our Group arising from or in connection with any non-compliance of any member of our Group on or before the date of Listing, including but not limited to the non-compliances as disclosed in this prospectus or all litigation, arbitration, claims, counter-claims, actions, complaints, demands, judgements and/or legal proceedings by or against any of the members of our Group which was issued, accrued and/or arising from any act of any of any member of our Group at any time on or before the date of Listing;
- (b) any penalty which may be imposed on any member of our Group, or any costs, expenses and losses which such member of our Group may suffer in connection with such penalty, due to such member 's failure to duly make all relevant filings or reports and supply all other information required to be supplied to any relevant PRC governmental authority, or to observe any laws, regulations or rules in the PRC in this regard;
- (c) any loss, liability, damages, claims, fines, penalties, orders, expenses and costs or loss of profits, benefits or other commercial advantages suffered by any member of our Group as a result of or in connection with:
  - (i) the title of any of the properties owned by, leased to or otherwise occupied by the members of our Group in the PRC ("**PRC Properties**") not being good and/or marketable or being subject to encumbrances (including without limitation the absence of building ownership certificate(s) of any of the PRC Properties as at the Listing Date);
  - (ii) the relocation of any office on the PRC Properties by such member of our Group arising from or in connection with the lack of relevant title certificates or documents by any member of our Group or the lessor or, if applicable the lessors' registration default in relation to the lease agreements to the extent that damages, if any, recovered from the relevant lessor are inadequate to cover the related costs of such member;



- (iii) such member's failure to obtain the relevant building ownership certificates and/or other title certificates of any of the PRC Properties (including but not limited to relocation costs, operating losses, penalties and rental difference between new lease and the existing ones incurred or suffered by any member of our Group as a result of any disputes as to the member's rights to lease and/or use any of the properties for its business operations);
- (iv) the Reorganisation; and
- (v) (aa) any actual or potential litigation, claim, action, prosecution, arbitration, mediation, alternative dispute resolution or other similar proceedings and/or (bb) any dispute with any person(s) (including, without limitation, any governmental authority) relating to any of the events referred to in paragraphs (i) to (iv) above.

The indemnity given in connection with immediately preceding paragraphs (a) and (b) above and other non-compliance incidents provided in the Deed of Indemnity shall not apply to any costs and expenses associated with any of the claims for such non-compliances to the extent of any provision being made in the financial statements of the relevant member of our Group up to the Accounts Date.

The provisions contained in the Deed of Indemnity are conditional on the conditions stated in the section headed "Structure of the Global Offering — Conditions of the Hong Kong Public Offering" in this prospectus being fulfilled or, to the extent permitted, waived by the relevant party. If such conditions are not fulfilled or, to the extent permitted, waived on or before the date falling 30 days from the date of this prospectus, or such later date as the parties under the Deed of Indemnity may agree, the Deed of Indemnity shall become null and void and cease to have effect.

Our Directors have been advised that no material liability for estate duty under the laws of the Cayman Islands or BVI is likely to fall on our Group.

#### **4.2. Sole Sponsor**

The Sole Sponsor has made an application on behalf of our Company to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering and any Shares which may be issued upon the exercise of options under the Share Option Scheme and the Over-allotment Option and Shares to be converted under Pre-HKIPO Loans.

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

Our Company agreed to pay the Sole Sponsor a fee of approximately HK\$10 million to act as the sole sponsor to our Company in relation to the Global Offering.

#### 4.3. Litigation

As at the Latest Practicable Date, no member of our Group engages in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Group member, that would have a material adverse effect on our results of operations or financial condition of our Group.

#### 4.4. Preliminary expenses

The preliminary expenses of our Company are estimated to be approximately RMB22,000 and are payable by our Company.

#### 4.5. Promoters

Our Company has no promoter for the purpose of the Listing Rules. Within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus.

#### 4.6. Agency fees or commissions received

Except as disclosed in the section headed “Underwriting — Commissions and Expenses” in this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital and/or debenture of any member of our Group within the two years immediately preceding the date of this prospectus.

#### 4.7. Qualification of experts

The qualifications of the experts who have given opinion and/or advice which are included in this prospectus are as follows:

Name	Qualifications
Zhongtai International Capital Limited	A corporation licenced under the SFO and permitted to carry out Type 1 (dealing in securities and Type 6 (advising on corporate finance) regulated activities
BDO Limited	Certified public accountants
Ogier	Cayman Islands legal advisers

<b>Name</b>	<b>Qualifications</b>
Jingtian & Gongcheng	Qualified PRC lawyers
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultants
Graval Consulting Limited	Independent valuer

#### **4.8. Consents of experts**

Each of the experts referred to in paragraph 4.7. under this appendix has given and has not withdrawn its consent to the issue of this prospectus with the inclusion of its view(s) and/or report(s) and/or letter(s) and/or legal opinion(s) (as the case may be) and reference to its name included in the form and context in which it is respectively appears.

None of the experts named in paragraph 4.7. under this appendix had any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

#### **4.9. Binding effect**

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance insofar as applicable.

#### **4.10. Taxation of holders of Shares**

##### **(a) Hong Kong**

Dealings in Shares registered on our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty. The sale, purchase and transfer of Shares are subject to Hong Kong stamp duty, the current rate of which is 0.26% of the consideration or, if higher, the value of the Shares being sold or transferred.

Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

##### **(b) Cayman Islands**

Under the present Cayman Islands law, there is no stamp duty payable in the Cayman Islands on transfer of Shares.

(c) *Consultation with professional advisors*

Intending holders of our Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in our Shares or exercising any rights attaching to them. It is emphasised that none of our Company, our Directors or the other parties involved in the Global Offering can accept responsibility for any tax effect on, or liabilities of holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares or exercising any rights attaching to them.

**4.11. Miscellaneous**

- (a) Within the two years immediately preceding the date of this prospectus:
- (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash, save as disclosed in the section headed "History, Reorganisation and Corporate Structure" in this prospectus;
  - (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option other than pursuant to the Share Option Scheme;
  - (iii) neither our Company nor any of our subsidiaries has issued or agreed to issue any founders shares, management shares, deferred shares or any debentures;
  - (iv) no commission has been paid or payable (except commissions to the Underwriters) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any Shares;
  - (v) none of the equity and debt securities of our Company is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought; and
  - (vi) our Company has no outstanding convertible debt securities save for the Pre-HKIPO Loans.

- (b) Our principal register of members will be maintained by our principal registrar, Ogier Global (Cayman) Limited, in the Cayman Islands and our Hong Kong register of members will be maintained by our Hong Kong Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by the Hong Kong Share Registrar and may not be lodged in the Cayman Islands. All necessary arrangements have been made to enable the Shares to be admitted to CCASS.
- (c) Our Directors confirm that up to the date of this prospectus, there has been no material adverse change in the financial or trading position or prospects of our Group since 31 December 2021 (being the date to which the latest audited consolidated financial statements of our Group were made up).
- (d) No company within our Group is presently listed on any stock exchange or traded on any trading system.
- (e) Our Directors have been advised that, under Cayman Islands law, the use of a Chinese name by our Company in conjunction with our Company's English name does not contravene the Companies Act.
- (f) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus.

#### **4.12. Bilingual prospectus**

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided in section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

<b>APPENDIX V      DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE FOR DISPLAY</b>
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## **DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES**

The documents attached to a copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were, amongst other documents, copies of the **GREEN** application form, the written consents referred to in paragraph 4.8. under “Appendix IV — Statutory And General Information” to this prospectus, and certified copies of the material contracts referred to in paragraph 2.1. under “Appendix IV — Statutory And General Information” to this prospectus.

## **DOCUMENTS AVAILABLE FOR DISPLAY**

Copies of the following documents will be available for display on the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.manyidea.cloud](http://www.manyidea.cloud) up to and including the date which is 14 days from the date of this prospectus:

- (a) our Memorandum of Association and Articles of Association;
- (b) the Accountants’ Report received from BDO Limited, on the historical financial information of our Group for each of the three years ended 31 December 2021 and four months ended 30 April 2022, the text of which is set out in Appendix I to this prospectus;
- (c) the audited consolidated financial statements of our Group for each of the three years ended 31 December 2021 and four months ended 30 April 2022;
- (d) the report on unaudited pro forma financial information of our Group received from BDO Limited, the text of which is set out in Appendix II to this prospectus;
- (e) the industry report prepared by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant;
- (f) the rules of the Share Option Scheme;
- (g) the letter of advice prepared by Ogier, our legal advisers as to Cayman Islands Law, summarising the constitution of our Company and certain aspects of the Cayman Islands company law referred to in Appendix III to this prospectus;
- (h) the Cayman Companies Act;
- (i) the legal opinion prepared by Jingtian & Gongcheng in respect of certain aspects of our Group and the property interests of our Group in the PRC and summary of PRC laws and regulations relating to our business;
- (j) the business valuation report prepared by Graval Consulting Limited regarding the Business Transfer;

<b>APPENDIX V      DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE FOR DISPLAY</b>
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- (k) the material contracts referred to in “Appendix IV — Statutory and General Information — 2. Further Information about our Business — 2.1. Summary of material contracts” to this prospectus;
- (l) the written consents referred to in “Appendix IV — Statutory and General Information — 4. Other Information — 4.8. Consents of experts” to this prospectus; and
- (m) the service contracts and appointment letters referred to in “Appendix IV — Statutory and General Information — 3. Further Information about our Directors and Substantial Shareholders — 3.2. Directors’ service contracts and letters of appointment” to this prospectus.





多想雲  
MANY IDEA  
CLOUD

**Many Idea Cloud Holdings Limited**  
**多想雲控股有限公司**