
SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be in conjunction with, the full text of this document. You should read the entire document before you decide to invest in the [REDACTED].

There are risks associated with any investment. Some of the particular risks in investing in the [REDACTED] are set out in “Risk Factors.” You should read that section carefully before you decide to invest in the [REDACTED].

OVERVIEW

We are the largest marketing and sales SaaS solution provider in China in terms of revenue in 2022 with a market share of 2.6%, according to Frost & Sullivan. We deliver marketing and sales SaaS solutions through our Marketingforce platform to serve enterprises of any size with a variety of needs, from content and experience, advertising and promotion, social and relationships, sales and delight, data and analytics, to strategy and management. Our precision marketing services also provide one-stop, cross-media online marketing solutions to advertising customers to help them precisely and effectively reach target audiences on leading media platforms. We serve a diverse base of advertising customers across a variety of industries. Leveraging our understanding of their business and marketing demands, we formulate and execute customized marketing plans for them covering designing, launching, monitoring and optimizing their advertisement campaigns. In 2021, 2022 and 2023, we generated 50.0%, 46.4% and 57.0% of revenue from our SaaS business and 50.0%, 53.6% and 43.0% of revenue from precision marketing services, respectively.

The modern marketing and sales value chain is full of challenges, given its extensiveness and complexity and enterprises’ lack of relevant experience. Enterprises find it difficult to generate marketing content in large amounts, formulate marketing strategies, promote leads conversion and perform ongoing customer management, which has been further complicated by massive amounts of use cases on a variety of marketing channels. Embedded with intelligent technologies and marketing strategies, marketing and sales SaaS products have quickly become popular in China as they could enhance operation efficiencies of enterprises through digitalizing and automating execution of critical tasks. Offered in a modular and scalable method, marketing and sales SaaS products cater to the preference among enterprises for more flexible subscription models. China’s marketing and sales SaaS solution market has been developing rapidly along with the acceleration of digital transformation among Chinese companies. According to Frost & Sullivan, the size of China’s marketing and sales SaaS solution market has reached RMB20.6 billion in 2022 and is expected to further grow to RMB74.5 billion in 2027 at a CAGR of approximately 29.3%.

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Adhering to the customer-centric principle, we currently offer marketing and sales SaaS products and precision marketing services to address the evolving needs of Chinese enterprises. Being one of the first movers to promote marketing and sales SaaS products in China, we have been dedicated to designing and constructing our Marketingforce platform, which represent our comprehensive capabilities to deliver holistic marketing and sales SaaS solutions to customers. Our SaaS products delivered through Marketingforce platform are more than standardized cloud-based services, but also the latest marketing strategies, practical marketing methodologies and industry know-how to empower enterprises’ entire marketing and sales process. Enabled by cloud computing, big data analysis and AI technologies, our SaaS products help enterprises conduct effective and efficient marketing and sales management for different use cases. We currently offer 237 functional modules through Marketingforce platform to address enterprises’ various concerns in relation to marketing and sales. Based on the common characteristics of specific groups of customers, we design and structure signature SaaS products, such as T Cloud and True Client, by assembling functional modules selected from a pool of all 237 modules to more effectively address the pain points shared by such groups of customers.

Leveraging our marketing experiences accumulated for over a decade, we also provide advertising customers with precision marketing services to help them effectively place advertisements primarily on top media platforms in China. Our online advertisement solution services primarily consist of advertising campaign planning, advertising content production, ongoing monitoring and real-time optimization, through which enterprises would improve their marketing results and conversion rate. Our online advertisement distribution services mainly involve account management as well as advertisement production and distribution.

We believe that innovation and technology are key to our success. We have been dedicated to proprietary technology development and have formed a mature and comprehensive R&D system, underpinned by our Shanghai-Wuhan dual R&D center deployment. As of December 31, 2023, our R&D team consisted of 461 staff focusing on areas such as cloud computing, big data analytics and AI, reinforcing the technology foundation for Marketingforce platform. Our cloud computing technology architecture, highlighted by advanced distributed storage and scalable data processing capabilities, ensures that the three layers of Marketingforce platform working in a collaborative way to deliver optimal results. Our big data analytical engine, applying our self-developed algorithms, helps enterprises improve and inform their marketing decisions and sales management. We have been focused on researching AI technologies and applying them in our SaaS products to empower enterprises’ entire marketing and sales process. For example, the AI content generation feature of our SaaS products, using NLP, machine learning and data intelligence technologies, helps enterprises overcome difficulties in mass production of quality content. We won the Second Prize for National Science and Technology Progress Award, and the First Prize for Shanghai Science and Technology Progress Award. We have been certified as a National High-Tech Enterprise and enjoy favorable tax treatment. Further, we are recognized as the National Model Academician and Expert Workstation by the Chinese Association for Science and Technology.

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For over ten years, we have been committed to building an efficient sales network and mechanism to achieve effective customer coverage and sustainable growth. At the core of our sales system is our direct sales team, which is dedicated to upholding our customer-centric tenet through relentlessly exploring and addressing the needs of our customers. To fulfill our goal of being our customers’ lifelong partner, we have formed a customer success team that is designed to help our customers maximize the benefits from using our SaaS products. We seek to maintain mutually beneficial relationships with customers and have gained the trust of numerous customers across the full spectrum of industries, presenting us with further cross-selling and up-selling opportunities. In 2021, 2022 and 2023, the number of the users of our SaaS business amounted to 24,127, 23,647 and 25,495, respectively; during the same years, for our SaaS business, the average contract value per user of our SaaS business was RMB45,026, RMB41,584 and RMB51,238, respectively. We have also built a diversified customer base for precision marketing service business, with a proven track record for serving leading enterprises with a strong willingness to pay. In 2021, 2022 and 2023, we served 845, 998 and 1,042 advertising customers, respectively, with average spending per advertising customer being RMB5.5 million, RMB5.9 million and RMB6.1 million respectively.

We experienced rapid growth during the Track Record Period. Our revenue increased from RMB877.2 million in 2021 to RMB1,142.8 million in 2022 and further to RMB1,232.1 million in 2023. During the Track Record Period, we have achieved a strong development in the SaaS business, with its revenue increasing from RMB438.6 million in 2021 to RMB529.9 million in 2022 and further to RMB702.4 million in 2023, at a CAGR of 26.5%. Notwithstanding the slight decreases in the number of users and the average contract value per user of our SaaS business in 2022 as compared to 2021 due to the adverse impact of the COVID-19 pandemic, our revenue from SaaS business increased from 2021 to 2022, primarily attributable to our fulfillment of contracts that were entered into in 2021. In 2021, 2022 and 2023, the gross margins of our SaaS business were 90.1%, 89.2% and 87.7%, respectively. In 2021, 2022 and 2023, our revenue from precision marketing service business were RMB438.6 million, RMB612.9 million and RMB529.7 million.

OUR PRODUCTS AND SERVICES

During the Track Record Period, we generated revenue from operating SaaS business and offering precision marketing services to customers. The following table sets forth our revenue by business segment for the years indicated:

	Year ended December 31,					
	2021		2022		2023	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
	<i>(RMB in thousands, except percentages)</i>					
SaaS business	438,642	50.0	529,877	46.4	702,378	57.0
Precision marketing services	438,589	50.0	612,899	53.6	529,742	43.0
Total	877,231	100.0	1,142,776	100.0	1,232,120	100.0

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The following table sets forth a summary of the different marketing services we provide:

	Marketing SaaS	Online Advertisement Solution Services	Online Advertisement Distribution Services
Service scope	Provision of functional modules for users to produce and distribute marketing content on their own	Account management, traffic procurement, advertisement production and distribution, marketing strategy formulation and optimization	Account management, traffic procurement, advertisement production and distribution
Major customer types	B2B companies	B2C companies	B2C companies
Major media platforms	Our marketing SaaS products primarily help users utilize free or low-cost internet traffic in both public and private domain, where platforms allow all accounts to post content following the user guidelines. Such platforms include short video platforms and social media platforms (such as Douyin, Kuaishou and Bilibili), other media platforms (such as Sina News and Sohu News), as well as long-tail B2B websites (such as sooshong.com (首商网) and 51sole.com (搜了网))	We purchase advertising traffic in public domain, with relatively higher traffic procurement costs, for customers from leading media platforms, including short video platforms, social media platforms and e-commerce platforms	We purchase advertising traffic in public domain, with relatively higher traffic procurement costs, for customers from leading media platforms, including short video platforms, social media platforms and e-commerce platforms

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	Marketing SaaS	Online Advertisement Solution Services	Online Advertisement Distribution Services
Revenue model	Revenue is recognized in the form of SaaS subscription fees	Revenue is recognized on a gross basis, being the service fees (charged mainly based on the traffic procured) deducting rebates offered to the advertisers	Revenue is recognized on a net basis, being the amount of rebate granted by media platforms deducting rebates offered to the advertisers
Traffic acquisition costs charged by media platforms	The traffic is typically free-of-charge or offered at low costs	The media platforms charge us for advertisement inventories based on CPC, CPM or CPT	The media platforms charge us for advertisement inventories based on CPC, CPM or CPT
Pricing policies	We charge our users subscription fees based on the service capacity; see “– SaaS Business – Pricing Model”	We determine the service fees mainly based on the traffic procured, subject to advertising budget and requested KPIs	We charge our customers based on the traffic procured
Rebates from media platforms	N/A	The media platforms grant us a certain amount of rebates based on the traffic procured	The media platforms grant us a certain amount of rebates based on the traffic procured
Rebates to advertisers	N/A	We offer rebates to advertisers as incentives	We offer rebates to advertisers as incentives

SaaS Business

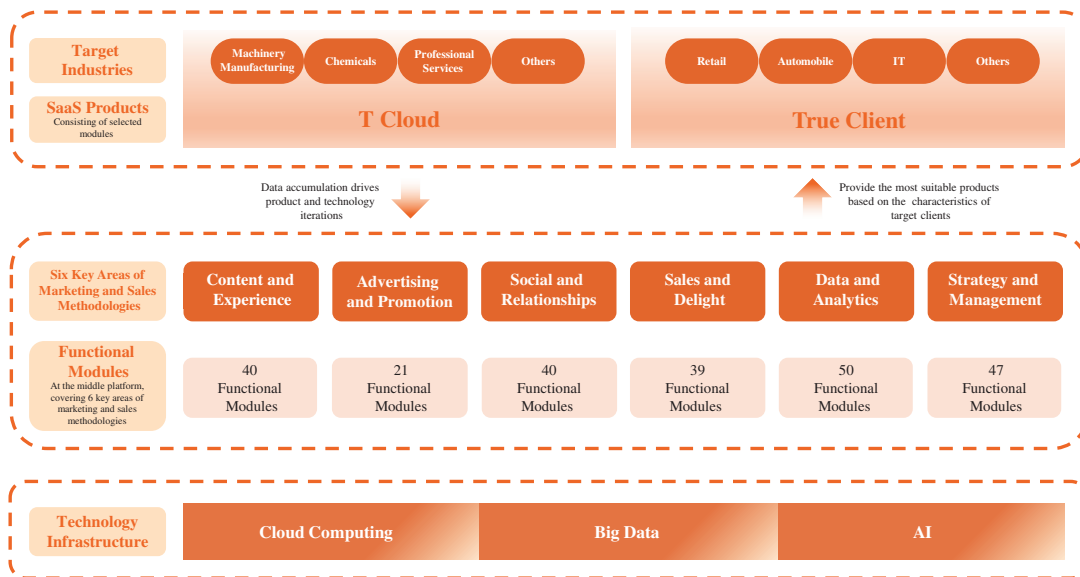
Leveraging the flexibility and scalability offered by our Marketingforce platform, we are able to meet each user’s diverse needs for marketing and sales activities by selecting the most suitable functional modules and combining them into standardized SaaS products, helping users from various industries to acquire sales leads, improve conversion rate and grow sales at lower costs. See “Business – SaaS Business.”

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Our Marketingforce Platform

We deliver our marketing and sales SaaS products through the Marketingforce platform, which represents our comprehensive capabilities to address customers’ needs. It is a multi-tier platform, the bedrock of which comprises our core technology capabilities, namely cloud computing technology, big data analytics and AI, which have enhanced performance of our products and improved user experience. We currently offer 237 functional modules on Marketingforce platform, which have incorporated the marketing experience accumulated from our operations, covering the entire marketing and sales process, from content generation, distribution, data analysis, sales promotion and overall strategy management. Our Marketingforce platform allows subscription of standalone functional modules or several of them as a package. To better address the common pain points faced by certain customer groups, we have developed SaaS products, such as T Cloud and True Client, which contain recommended functional modules to achieve optimal results. Our Marketingforce platform’s holistic solutions are able to address the needs of different industry backgrounds, business models and operation scales.

The chart below illustrates the key components of the Marketingforce platform:



Technology platform. Marketingforce Platform is powered by cloud computing, big data and AI technologies. Leveraging our cloud computing capabilities, we structure the Marketingforce platform to consist of the technology infrastructure layer, the data middle platform and the SaaS layer, which together support our product and service offerings. Big data analytics allow users to collect, store and analyze the data generated at different stages of their sales and marketing activities. We provide our users with AI capabilities that handle repetitive tasks, generate contents and facilitate with strategy formulation, to increase productivity and save labor and other costs.

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Functional modules. Based on our accumulated practice know-how covering the major stages of marketing and sales activities, namely, content and experience, advertising and promotion, social and relationships, sales and delight, data and analytics, and strategy and management, we had developed and launched 237 functional modules as of December 31, 2023. Most of the functional modules are designed to perform a certain type of tasks that facilitates or automates users' marketing and sales activities. For example, we offer different modules to intelligently generate text, graphic and video content, profile the potential customers, or create standard operation procedures for customer and community management. In addition, we deliver a number of modules for strategy formulation and internal management to support the users' sales and marketing activities. We continually iterate on these modules and develop new ones based on the latest industry trends and customer needs.

SaaS products. We combine a series of functional modules and build our marketing and sales SaaS product matrix addressing the specific pain points and needs of different user groups. We have designed and launched our signature SaaS products, T Cloud and True Client, each consisting of a variety of pre-configured functional modules to serve companies' needs in their marketing and sales management. T Cloud is an all-in-one marketing SaaS product empowering users' entire marketing process from official platform building and operation, to AI-empowered marketing content generation and distribution. True Client, on the other hand, addresses the sales process, and offers intelligent sales management tools including leads management, leads conversion and customer management. Both products allow users to improve their marketing and sales strategies through data visualization and analysis function. Looking forward, we expect to discover the distinct needs of more user groups and continually launch new products accordingly.

Diversified customer base. Marketingforce platform and users have a symbiotic relationship, and interact with each other in a mutual beneficial method and ultimately forming a flywheel effect. We offer a variety of product versions and flexible pricing models to help users remain vibrant throughout different stages of business development. Marketingforce platform has accumulated tens of thousands of users with diversified industry backgrounds, business models and operating scales. They help us to understand the latest marketing and sales needs, and upgrade our products and offerings accordingly.

T Cloud

T Cloud is our signature all-in-one marketing SaaS product that addresses users' various needs for intelligent marketing. Based on our deep understanding of marketing methodologies and enterprise needs, we have developed T Cloud by selecting functional modules on the Marketingforce platform and configuring them to cover the entire marketing process. We offer different versions of T Cloud and deliver up to 89 functional modules. Users of T Cloud can further customize their subscriptions by purchasing additional functional modules, or subscribing to higher usage limits for certain features, on the Marketingforce platform and adding them to their portfolio of T Cloud products. Additionally, users subscribe to multiple user accounts for different product or service lines or different salespeople, each with specific marketing strategies and content for better results.

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True Client

We deliver True Client, a customer resource management platform integrated with the mainstream social platform for comprehensive customer relationship management and data analytics. Particularly, our True Client has connection with mainstream social platforms such as WeCom. Such connection allows users to conveniently transport the contacts and other information of the sales leads from relevant social platforms to True Client, thereby providing the following functions: (i) managing customer information, (ii) interacting with customers, (iii) providing customer services, (iv) launching online customer events, and (v) conducting customer data analytics. Thus, True Client empowers users from a wide range of industries who connect with customers through social platforms but need to improve sales efficiency. True Client helps its users develop effective sales strategies to increase conversions and better manage their sales force with an all-in-one platform. We offer up to 159 functional modules to empower the entire sales process for users of different business sizes and sales force, including 81 customer relationship management related functional modules and 78 ancillary modules. The standard version of True Clients primarily facilitates the four stages of sales activities, while the professional version is further equipped with ancillary modules for features such as customer data management and AI-enabled growth automation, fully addressing our customers' personalized needs. True Client is designed to digitalize the interactions between users' sales staff and their customers, improving sales efficiency and customer experience. True Client helps users close the value loop of the lead-to-cash process, convert sales leads to customers, and further into promoters who are willing to re-purchase users' products and services and recommend them to a wider group of potential customers.

Precision Marketing Services

We offer two types of online marketing services, namely, online advertisement solution services and online advertisement distribution services. Under the online advertisement solution services, we provide one-stop, cross-media online marketing solutions for companies in a wide range of industries by designing, launching, monitoring and optimizing their advertisement campaigns, with a strategic focus on top media platforms. In addition, we provide online advertisement distribution services to advertising service providers where we act as an agent, instead of a principal, and place advertisements on their behalf and through their respective advertising accounts on the media platforms designated by our customers. We acquire traffic from our media partners to place advertisements for our advertising customers. We serve a diverse base of advertising customers across a variety of industries, including direct advertising customers with actual marketing demands and channel customers who entered business relationships with us on behalf of their advertising customers. See "Business – Precision Marketing."

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KEY OPERATING DATA

The following table sets forth certain key operating data of our SaaS business and precision marketing services:

	Year ended December 31,		
	2021	2022	2023
SaaS Business			
Total users ⁽¹⁾	24,127	23,647	25,495
Average contract value per user (RMB) ⁽²⁾	45,026	41,584	51,238
Subscription revenue retention rate ⁽³⁾	136%	104%	87%
Subscription user retention rate ⁽⁴⁾	76%	69%	69%
Monthly average revenue per user (RMB) ⁽⁵⁾	1,515	1,867	2,296
Precision Marketing Services⁽⁶⁾			
Number of impressions (<i>in millions</i>)	175,972	267,870	395,373
Number of clicks (<i>in millions</i>)	3,659	5,911	10,281
Click-through rate (%) ⁽⁷⁾	2.08%	2.21%	2.60%
Number of advertising customers	845	998	1,042

Notes:

- (1) Defined as users who generated revenue within the relevant year. A user subscribing for multiple accounts is counted as one user.
- (2) Average contract value per user is calculated as the sum of the selling prices under all subscription contracts signed and revenue from orders placed during a given year, divided by the number of users signing such contracts or placing such orders with us in that year.
- (3) Subscription revenue retention rate for a given financial year is calculated as the revenue generated from subscriptions made by users who also made subscriptions that generated revenue in the prior financial year, divided by the total revenue generated from subscriptions in that prior financial year.
- (4) Subscription user retention rate for a given financial year is calculated as the number of users who generated revenue from subscriptions in both the current financial year and the prior financial year, divided by the total users who generated revenue from subscriptions in the prior financial year.
- (5) Monthly average revenue per user for a given year is calculated as the revenue from SaaS business in the year, divided by the number of users and then divided by 12 months. Since not every contract covers all twelve months of a given financial year, the monthly average revenue per user calculated by the above method may be lower than the actual payment we received in that month.
- (6) For our major media platforms.
- (7) Click-through rate is calculated as the total number of clicks divided by the total number of impressions.

The number of users of our SaaS business slightly decreased from 24,127 in 2021 to 23,647 in 2022, with our average contract value per user decreasing from RMB45,026 in 2021 to RMB41,584 in 2022, primarily due to our reduced marketing activities and higher customer attrition while our users reduced their marketing spending in light of the resurgences of the COVID-19 pandemic. Our subscription revenue retention rate decreased from 136% in 2021 to 104% in 2022, and our subscription user retention rate decreased from 76% in 2021 to 69% in 2022. As the COVID-19 pandemic subsided, we have recovered from such impacts and

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continued business expansion, with the number of users of our SaaS business increasing to 25,495 in 2023, and the average contract value per user increasing to RMB51,238 in 2023, attributable to our efforts to launch new functional modules and enhance the effectiveness of existing ones to better address the evolving needs of our users, as well as the expansion of customer base leveraging our established sales network. Meanwhile, our subscription revenue retention rate decreased to 87% in 2023 while our subscription user retention rate remained at 69% in 2023, mainly due to the decrease in the contracts we entered into in the second half of 2022 affected by the COVID-19 pandemic, resulting in a decrease in the recurring revenue in 2023. With the overall growth of the revenue from SaaS business from RMB529.9 million in 2022 to RMB702.4 million in 2023, we believe we are able to sustain business expansion and draw in more high-quality users in the future.

Driven by our enhanced service capability and growing marketing demands, the number of advertising customers grew from 845 in 2021 to 998 in 2022 and further to 1,042 in 2023. Our click-through rate, which reflects the operational efficiency of the advertisement placement, remained relatively stable during the Track Record Period. According to Frost & Sullivan, our click-through rate during the Track Record Period was generally in line with the industry average, which typically ranges from 2% to 3%. See “Business – Precision Marketing – Key Operating Data.”

CUSTOMERS AND SUPPLIERS

Our major clients are (i) enterprises who purchase our SaaS products, and (ii) advertising customers who purchase our precision marketing services. We have a large customer base and do not rely on users from specific industry verticals. We primarily target B2B enterprises as customers for our marketing SaaS products, which typically have businesses or high-value individuals as their clients. Our sales SaaS products primarily target B2B and B2C enterprises from a variety of industries. Our precision marketing business covers advertising customers from various industries, including e-commerce platforms, fast-moving consumer goods, healthcare, gaming, entertainment, and social media. We review our customer profiles from time to time to improve better operational efficiency and profitability. Revenue generated from our largest customer in each year of the Track Record Period accounted for 12.5%, 24.5% and 24.5%, respectively, of our total revenues during those years. Revenue generated from our five largest customers in each year of the Track Record Period accounted for 40.5%, 50.0% and 42.6%, respectively, of our total revenues during those years. See “Business – Customers.”

Our major suppliers are media platforms, and hardware and system suppliers. During the Track Record Period, our largest supplier is a leading Chinese Internet technology company operating the largest short video distribution platform in terms of average DAUs in China in 2023. Charges from our largest supplier in each year of the Track Record Period accounted for 59.5%, 87.3% and 83.2%, respectively, of our cost of sales during those years. Charges from our five largest suppliers in each year of the Track Record Period accounted for 90.3%, 92.4% and 91.7%, respectively, of our cost of sales during those years. During the Track Record

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Period, we had one of our five largest customers as our supplier, who contributed to 5.4%, 3.2% and 2.0% of our revenue in each year of the Track Record Period, respectively, and 0.6%, 0.1% and 3.8% of our cost of sales in each year of the Track Record Period, respectively. See "Business – Suppliers."

OUR STRENGTHS

We believe the following competitive advantages have contributed to our success and will drive our growth in the future:

- A leading marketing and sales SaaS solution provider in China with strong growth momentum
- Powerful Marketingforce platform delivering all-in-one, end-to-end SaaS products to address a variety of needs for different use cases
- Strong R&D capability and leading proprietary technologies
- A broad and diversified customer base with huge growth potential
- Extensive sales network and comprehensive customer success system prioritizing customer experience
- A visionary management team with outstanding execution capability

OUR STRATEGIES

We plan to focus on the following key strategies to achieve our mission and further consolidate our market leadership:

- Further consolidate our market leadership in marketing and sales SaaS solution market
- Continue to enhance Marketingforce platform and raise the overall competitiveness of SaaS products
- Continual investment in strengthening our R&D capabilities and maintaining technology edge
- Continually explore customer value and expand customer base
- Strategic acquisitions and investments

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COMPETITIVE LANDSCAPE

We compete in a large and highly competitive market. Within the SaaS solution market in China, marketing and sales SaaS solutions are one of the most important segments due to the high-value propositions they bring to enterprises across different industries. According to Frost & Sullivan, in 2022, the marketing and sales SaaS solution market reached RMB20.6 billion, an increase from RMB7.3 billion in 2018 with a CAGR of 29.7% from 2018 to 2022. Looking forward, the marketing and sales SaaS solution market is expected to reach RMB74.5 billion in 2027, with a CAGR of 29.3% from 2022 to 2027. We are the largest marketing and sales SaaS solution provider in China, with revenue from SaaS business of RMB529.9 million in 2022, accounting for 2.6% of the market share, according to Frost & Sullivan. We maintain our market position through our ability to provide comprehensive functions based on accumulated industry knowledge, launch SaaS products that meet different customer needs, develop advanced technologies, establish an extensive sales network, and continuously improve our brand awareness.

According to Frost & Sullivan, the precision marketing market reached RMB1,028.7 billion in 2022, increasing from RMB517.2 billion in 2018 with a CAGR of 18.8% from 2018 to 2022, and is expected to reach RMB1,728.5 billion in 2027, with a CAGR of 10.9% from 2022 to 2027. The precision marketing market in China is highly fragmented. In 2022, the top five market players in China accounted for a market share of 10% to 15% in China. We accounted for approximately 0.06% of the total market in 2022 with revenue from precision marketing services of RMB612.9 million in China. We expect to compete effectively in the industry by continuing to maintain in-depth cooperation with leading media platforms and producing high-quality marketing content.

RISK FACTORS

Our business faces risks including those set out in the section headed “Risk Factors.” As different investors may have different interpretations and criteria when determining the significance of a risk, you should read the “Risk Factors” section in its entirety before you decide to invest in our [REDACTED]. Some of the major risks that we face include: (i) If we fail to improve and enhance the functionality, performance, reliability, design, security, and scalability of our products and services to suit our customers’ evolving needs and keep pace with technological developments, our customers may stop purchasing our products and services, which, in turn, will have a material and adverse impact on our business, financial condition, results of operations, and prospects; (ii) If our SaaS products contain serious errors or defects, we may lose our sources of revenue and our product users may lose confidence in our products and services. In addition, we may incur significant costs defending or settling claims with our product users as a result of such serious errors or defects; (iii) If our abilities in assessing and predicting potential target audiences are or become flawed or ineffective, our reputation and market share may be materially and adversely affected; (iv) We have incurred net losses during the Track Record Period, which may continue in the future; (v) We relied on a limited number of media platforms to place advertisements for our customers during the Track Record Period. If we fail to maintain our business relationship with such media platforms, our brand, business, financial condition and results of operations could be materially

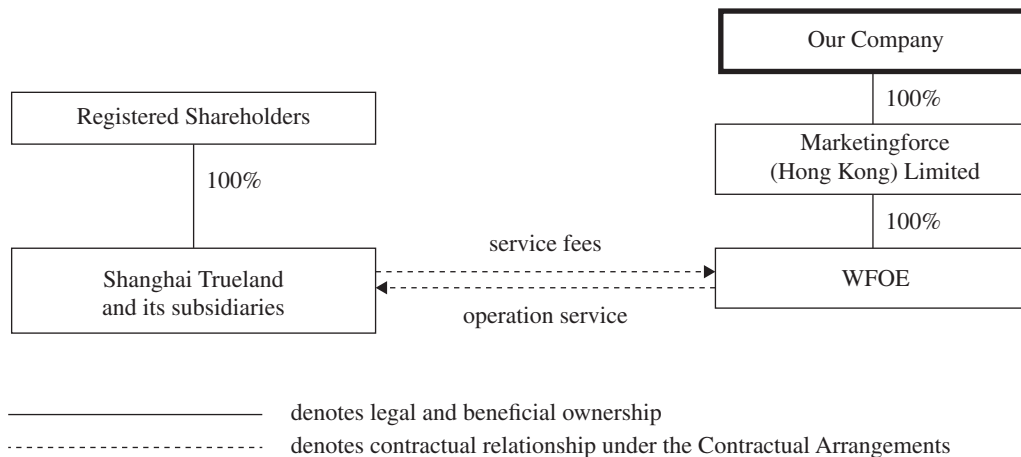
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and adversely affected; (vi) Our business, growth and prospects are significantly affected by the growth of media platforms and use of SaaS products and precision marketing services in China; and (vii) We may face certain risks in collecting our trade and bills receivables and other receivables in relation to prepayments on behalf of advertising customers to third parties, and any failure to collect these could have a material adverse effect on our business, financial condition, and results of operations.

CONTRACTUAL ARRANGEMENTS

Foreign investment in certain areas of the industry in which we currently operate is subject to restrictions under current PRC laws and regulations, therefore we do not directly own any equity interests in our Consolidated Affiliated Entities. We control our Consolidated Affiliated Entities through the Contractual Arrangements, pursuant to which we have effective control over, and receive all the economic benefits generated by the businesses currently operated by our Consolidated Affiliated Entities. See “Contractual Arrangements” for details.

The following simplified diagram illustrates the key aspects of the Contractual Arrangement:



For risks relating to the Contractual Arrangements, see “Risk Factors – Risks Relating to Our Corporate Structure and Contractual Arrangements.”

RSU SCHEME

The Company has adopted the RSU Scheme on November 10, 2021. As of the Latest Practicable Date, all Shares underlying the RSU Scheme have been issued and held by Isle Wealth, representing approximately [REDACTED]% of the share capital of our Company upon completion of the Share Subdivision and the [REDACTED] (assuming the [REDACTED] is not exercised), and the RSU Scheme will not cause any dilution to the shareholding of the Company. Please refer to the section headed “F. RSU Scheme” of Appendix IV to the document for further details.

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OUR CONTROLLING SHAREHOLDERS

Mr. Zhao (also known by his alias name Zhao Xulong (趙旭隆)), our founder, chairman and chief executive officer, and Ms. Zhu, being the spouse of Mr. Zhao, have jointly invested in our Group for more than ten years, and have been acting in concert on the decision-making process as shareholders of the Company since then. As such, Mr. Zhao and Ms. Zhu are regarded as a group of Controlling Shareholders.

As at the Latest Practicable Date, Mr. Zhao, together with Ms. Zhu, indirectly held approximately 51.01% of the issued Shares in aggregate comprising (i) the 24.97% of the issued Shares held by Mr. Zhao through Willam Zhao Limited and Willian Zhao I Limited, both of which are wholly owned by Mr. Zhao, and (ii) the 26.04% of the issued Shares held by Ms. Zhu through Shuina Zhu Limited.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Mr. Zhao and Ms. Zhu will be interested in approximately [REDACTED]% of the total issued Shares in aggregate. Therefore, Mr. Zhao and Ms. Zhu, together with Willam Zhao Limited, Willian Zhao I Limited and Shuina Zhu Limited, will be the group of our Controlling Shareholders upon completion of the [REDACTED].

As of the Latest Practicable Date, none of our Controlling Shareholders, was interested in any business which competes, or is likely to compete, directly or indirectly, with the business of our Group or would otherwise require disclosure under Rule 8.10 of the Listing Rules. See “Relationship with Our Controlling Shareholders.”

CONTINUING CONNECTED TRANSACTIONS

We have entered into, and are expected to continue, certain transactions which would constitute continuing connected transactions under Chapter 14A of the Listing Rules after the [REDACTED]. These transactions include (i) certain guarantees provided by Mr. LIU Huan, a director of certain Consolidated Affiliated Entities, which will subsist following the completion of the [REDACTED]; and (ii) our Contractual Arrangements. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], waiver in relation to the non-exempt continuing connected transactions between us and our connected persons under Chapter 14A of the Listing Rules. For further details, see “Connected Transactions”.

PRE-[REDACTED] INVESTMENTS

Since our incorporation, we have attracted certain Pre-[REDACTED] Investors and completed several rounds of equity financing in the past few years to raise funds for the development of our business. For further information of the identity and background of the Pre-[REDACTED] Investors and the principal terms of the Pre-[REDACTED] Investments, see “History, Reorganization and Corporate Development – Early Investments in Shanghai Trueland and Pre-[REDACTED] Investments.”

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SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, derived from the Accountants' Report set out in Appendix I. The summary consolidated financial data set forth below should be read together with the consolidated financial statements in this document, including the related notes. Our consolidated financial information was prepared in accordance with IFRS.

Selected Items from the Consolidated Statements of Comprehensive Income

The following table sets forth a summary of our consolidated statements of comprehensive income for the years indicated:

	Year ended December 31,		
	2021	2022	2023
	<i>(RMB in thousands)</i>		
Revenue	877,231	1,142,776	1,232,120
Cost of services	<u>(399,424)</u>	<u>(582,738)</u>	<u>(525,938)</u>
Gross profit	477,807	560,038	706,182
Selling and distribution expenses	(284,158)	(314,995)	(326,798)
Administrative expenses	(172,032)	(188,931)	(203,892)
Research and development expenses	<u>(160,588)</u>	<u>(224,621)</u>	<u>(210,037)</u>
Loss before tax	<u>(265,102)</u>	<u>(216,487)</u>	<u>(169,423)</u>
Loss for the year	<u><u>(272,589)</u></u>	<u><u>(216,455)</u></u>	<u><u>(169,478)</u></u>

Non-IFRS Measure

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net loss (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We believe this non-IFRS measure facilitates comparisons of operating performance from year to year and company to company by eliminating potential impacts of certain items.

We believe adjusted net loss (non-IFRS measure) provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS. We define adjusted net loss (non-IFRS measure) as net loss for the year adjusted by adding back fair value changes of convertible redeemable preferred shares, interest on preferred shares and [REDACTED]. We

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exclude such items in adjusted net loss (non-IFRS measure) primarily because (i) fair value changes of convertible redeemable preferred shares are non-cash in nature and are not expected to result in future cash payments to be made by us. All of the convertible redeemable preferred shares will be converted into ordinary shares of our Company, and financial liabilities at fair value through profit or loss (“FVTPL”) will be converted into equity upon the [REDACTED]; (ii) interests on preferred shares are non-cash finance costs arising from granting preferred shares, which we have ceased to incur since 2022; and (iii) [REDACTED] are expenses related to the [REDACTED]. The adjustments have been consistently made during the Track Record Period.

The following table reconciles our adjusted net loss (non-IFRS measure) for the years presented to the most directly comparable financial measure calculated and presented in accordance with IFRS, which is net loss for the year:

	Year ended December 31,		
	2021	2022	2023
	<i>(RMB in thousands)</i>		
Reconciliation of net loss to adjusted net loss (non-IFRS measure):			
Net loss for the year	(272,589)	(216,455)	(169,478)
Add:			
Fair value changes of convertible redeemable preferred shares	122,237	61,069	107,815
Interest on preferred shares	8,004	–	–
[REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>
Adjusted net loss (non-IFRS measure)	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>

We had net losses during the Track Record Period, primarily because we incurred substantial research and development expenses, administrative expenses and selling and distribution expenses during the process of rapid expansion of our SaaS business. According to Frost & Sullivan, SaaS solution providers often experience losses when expanding their business due to the time lag between revenue recognition and operational expenses. While SaaS companies bear substantial expenses in research and development, as well as selling and distribution and administration, the resultant revenue growth may manifest only at a subsequent phase, as the revenue is recognized over the term of the contracts. To timely capture the opportunities from the favorable governmental policies adopted in recent years and the rising marketing and sales SaaS market in China, since 2019, we have experienced significant increases in (i) research and development expenses to enhance the performance of our products and launch new functional modules, (ii) selling and distribution expenses to promote our SaaS business and expand our user base, and (iii) administrative expenses to support the fast growth of our business scale. As we are still in the process of expanding our SaaS business, we expect to record a net loss in 2024. See “Risk Factors – We have incurred net losses and recorded accumulated losses during the Track Record Period, which may continue in the future.”

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Our adjusted net losses (non-IFRS measure) remained relatively stable at RMB138.4 million and RMB140.7 million in 2021 and 2022, respectively. Our adjusted net losses (non-IFRS measure) decreased from RMB140.7 million in 2022 to RMB36.1 million in 2023, primarily due to (i) an increase in gross profit, resulting from the increasing contribution of revenue from SaaS business, and (ii) a decrease in our research and development expenses, resulting from the enhanced efficacy and cost-efficiency of our research and development efforts.

Revenue

The following table sets forth a breakdown of our revenue by business segment in absolute amounts and as a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2021		2022		2023	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
	<i>(RMB in thousands, except percentages)</i>					
SaaS business	438,642	50.0	529,877	46.4	702,378	57.0
Precision marketing services	438,589	50.0	612,899	53.6	529,742	43.0
Total	877,231	100.0	1,142,776	100.0	1,232,120	100.0

SaaS Business

During the Track Record Period, our revenue from SaaS business increased, primarily attributable to the increase in subscriptions, which was mainly attributable to that (i) we remain dedicated to launching new functional modules and enhancing the effectiveness of existing ones to better address the evolving needs of our customers; (ii) our sales network has experienced rapid growth during the Track Record Period; and (iii) we aspire to help our customers to achieve their goals and are devoted to providing them with quality services.

Precision Marketing Services

From 2020 to 2022, revenue generated from our precision marketing services increased, primarily attributable to the increase in revenue from online advertisement solution services, which was recognized on a gross basis. The rapid growth of the revenue from our online advertisement solution services was primarily due to (i) the continuous enhancement of our marketing capability and improvement of service quality; (ii) our strategic focus on quality advertising customers with stronger marketing needs and the willingness to procure professional marketing services from us; and (iii) the fast development of the online marketing market in China, where we strive to capture and address the concerns of the growing number of enterprises with marketing demands. Revenue generated from our precision marketing

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services decreased in 2023 as compared to 2022, primarily attributable to the decrease in the number of advertising customers for online advertisement solution services. Such decrease was mainly due to that we proactively adjusted our customer portfolio based on the factors such as the customers’ credit history, business prospect and gross billing, in order to improve overall profitability and operation efficiency while minimizing risk exposure.

Gross Profit and Gross Margin

The following table sets forth a breakdown of our gross profit by business segment in absolute amounts and gross margins, for the years indicated:

	Year ended December 31,					
	2021		2022		2023	
	Gross Profit	Gross Margin (%)	Gross Profit	Gross Margin (%)	Gross Profit	Gross Margin (%)
	<i>(RMB in thousands, except percentages)</i>					
SaaS business	395,092	90.1	472,685	89.2	616,155	87.7
Precision marketing services	82,715	18.9	87,353	14.3	90,027	17.0
– Online advertisement solution services	8,460	2.4	7,942	1.5	7,348	1.7
– Online advertisement distribution services	74,255	89.2	79,411	94.8	82,679	97.6
Total	<u>477,807</u>	<u>54.5</u>	<u>560,038</u>	<u>49.0</u>	<u>706,182</u>	<u>57.3</u>

The fluctuations in our overall gross margins were primarily due to the changes in our revenue structure. Revenue from our SaaS business entailed relatively high gross margins due to the comparatively lower costs which mainly related to the procurement of third-party services and hardware to support its operation. In contrast, revenue from our precision marketing services entailed relatively low gross margins, primarily due to the higher costs which mainly related to the procurement of advertising traffic on media platforms for our online advertisement solution services. In addition, the fluctuations in the gross margins of our precision marketing service were generally in line with the changes in the revenue structure, as revenue generated from our online advertisement solution services was recognized on a gross basis and entailed a relatively lower gross margin. The fluctuations in the gross margin of online advertisement solution services were primarily attributable to the changes in rebate rates received from media platforms and granted to customers. See “Business – Precision Marketing – Rebates.” The overall increase in the gross margin of online advertisement distribution services was primarily due to a decrease in the staff costs. See “Financial Information – Description of Major Components of Our Results of Operations – Gross Profit and Gross Margin.”

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BUSINESS SUSTAINABILITY

In the future, we plan to achieve profitability by focusing on developing our SaaS business. To drive sustained revenue growth and profit, we plan to continue expanding our customer base through the implementation of marketing strategies. Along with the expansion of our customer base, the number of our existing customers is expected to increase, and we believe that a stable and extensive existing customer base will make further contribution to our revenue growth. In the meantime, according to Frost & Sullivan, as SaaS companies generally have relatively stable costs, for each newly acquired user, we would incur small incremental costs for providing services to such new user. In addition, we plan to continue improving and optimizing product performance and enriching product matrix to retain more users and incentivize their spending, thus creating more customer value and driving continued revenue growth to achieve profitability. Furthermore, we plan to increase operational efficiency to manage costs and expenses. See “Business – Business Sustainability.”

Selected Items from the Consolidated Balance Sheets

The following table sets forth selected information from our consolidated balance sheets as of the dates indicated:

	As of December 31,		
	2021	2022	2023
	<i>(RMB in thousands)</i>		
Total current assets	1,532,080	1,762,429	2,072,498
Total current liabilities	1,166,272	1,556,960	3,104,245
Total non-current assets	278,997	314,003	230,402
Total non-current liabilities	1,127,491	1,299,365	159,350
Net current assets/(liabilities)	365,808	205,469	(1,031,747)
Net (liabilities)	(482,686)	(779,893)	(960,695)

We had net current liabilities of RMB1,031.7 million as of December 31, 2023, compared to net current assets of RMB205.5 million as of December 31, 2022, primarily due to (i) the convertible redeemable preferred capital of RMB1,223.8 million that was recognized as current liabilities as of December 31, 2023 as compared to non-current liabilities as of December 31, 2022, (ii) an increase of RMB206.9 million in interest bearing bank and other borrowings, and (iii) an increase of RMB90.9 million in contract liabilities partially offset by an increase of RMB311.5 million in prepayments, other receivables and other assets which were mainly attributable to (a) increases in the amount of advances made to media platforms on behalf of our advertisers as we expanded the business scale of our online advertisement distribution services under precision marketing services and (b) our strategic policy to allow longer credit period to certain long term customers with good creditworthiness.

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Our net current assets decreased from RMB365.8 million as of December 31, 2021 to RMB205.5 million as of December 31, 2022, primarily due to (i) an increase of RMB367.9 million in other payables and accruals, (ii) an increase of RMB61.1 million in contract liabilities, (iii) a decrease of RMB43.3 million in trade and bills receivables, (iv) an increase of RMB28.1 million in trade payables, and (v) an increase of RMB28.1 million in lease liabilities, partially offset by (i) an increase of RMB285.7 million in prepayments, other receivables and other assets, which was mainly attributable to the increase in other receivables in relation to prepayments on behalf of advertisers to third parties resulting from the business growth in our online advertisement distribution services under precision marketing services, and (ii) a decrease of RMB94.6 million in interest-bearing bank and other borrowings.

Our net current liability position as of December 31, 2020 changed to a net current asset position as of December 31, 2021, primarily due to the transfer of the redeemable preferred capital (representing certain investors’ interests in Shanghai Trueland) in the amount of RMB168.4 million under current liabilities as of December 31, 2020 to the convertible redeemable preferred shares under non-current liabilities in 2021. The convertible redeemable preferred shares are measured at fair value through profit or loss. The difference between the carrying amount of redeemable preferred capital and the fair value of the convertible redeemable preferred shares in the amount of RMB58.7 million in 2021 was reflected as capital reserve in the statement of changes in equity. In addition, Mr. Zhao transferred a portion of his Ordinary Shares to certain investor on November 10, 2021. The difference between the carrying amount of the Ordinary Shares transferred by Mr. Zhao and the fair value of the convertible redeemable preferred shares in the amount of approximately RMB191.2 million in 2021 was reflected as capital reserve in the statement of changes in equity. See “History, Reorganization and Corporate Development – Early Investments in Shanghai Trueland and Pre-[REDACTED] Investments.” As such, we recorded transfer to convertible redeemable preferred shares in the total amount of RMB249.9 million in 2021, which was reflected as capital reserve in the statement of changes in equity.

Selected Items from the Consolidated Statements of Cash Flows

The following table sets forth our cash flows for the years indicated:

	Year ended December 31,		
	2021	2022	2023
	<i>(RMB in thousands)</i>		
Net cash (used in)/from operating activities	(469,798)	64,806	(121,504)
Net cash used in investing activities	(70,018)	(39,576)	(66,101)
Net cash from/(used in) financing activities	679,229	(40,080)	121,921
Cash and cash equivalents at the end of year	<u>215,658</u>	<u>203,506</u>	<u>138,022</u>

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During the Track Record Period, we had negative operating cash flows, primarily because the credit terms we grant to our precision marketing services customers are generally longer than those granted by media platforms to us. See “Risk Factors – Risks Related to Our Business and Industry – We have recorded negative operating cash flows in the past, which may continue in the future.” Specifically, in 2021 and 2023, we had net cash used in our operating activities of RMB469.8 million and RMB121.5 million, respectively, primarily due to (i) increases in prepayments, other receivables and other assets, which were mainly attributable to (a) increases in the amount of advances made to media platforms on behalf of our advertisers as we expanded the business scale of our online advertisement distribution services under precision marketing services and (b) our strategic policy to allow longer credit period to certain long term customers with good creditworthiness, and (ii) increases in trade and bills receivables, which were mainly attributable to (a) increases in revenue from online advertisement solution services and (b) the relatively large amounts of payments being made by bank acceptance bills from certain of our customers with good creditworthiness. See “Financial Information – Liquidity and Capital Resources – Cash Flow – Net Cash Flows (Used in)/from Operating Activities.”

To improve our operating cash flows, we intend to adopt measures, including (i) expediting the collection of trade and bills receivables and other receivables and negotiating with customers for advance payments and (ii) focusing on the growth of our SaaS business to further improve the revenue structure, thereby increasing the cash inflow. See “Financial Information – Liquidity and Capital Resources – Cash Flow.”

KEY FINANCIAL RATIOS

The following table sets out our key financial ratios for the years indicated:

	Year ended December 31,		
	2021	2022	2023
Revenue growth (%)	66.2	30.3	7.8
<i>SaaS business (%)</i>	94.8	20.8	32.6
<i>Precision marketing services (%)</i>	44.9	39.7	(13.6)
Gross margin (%)	54.5	49.0	57.3
<i>SaaS business (%)</i>	90.1	89.2	87.7
<i>Precision marketing services (%)</i>	18.9	14.3	17.0

See “Financial Information – Period-to-Period Comparison of Results of Operations” for a discussion of the factors affecting our results of operations during the respective years.

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APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We are applying for [REDACTED] under Rule 8.05(3) of the Listing Rules and satisfy the market capitalization/revenue test, among other things, with reference to (i) our revenue for the year ended December 31, 2023, being RMB1,232.1 million, which is significantly over HK\$500 million as required by Rule 8.05(3) of the Listing Rules; and (ii) our expected market capitalization at the time of the [REDACTED], which, based on the low end of the indicative [REDACTED] range, exceeds HK\$4 billion as required by Rule 8.05(3) of the Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED] include professional fees, [REDACTED] commission, and other fees incurred in connection with the [REDACTED]. We estimate that our [REDACTED] will be approximately HK\$[REDACTED] million, representing approximately [REDACTED]% of the gross [REDACTED] from the [REDACTED] (assuming an [REDACTED] of [REDACTED] per Share (being the mid-point of the indicative [REDACTED] range) and no exercise of the [REDACTED]), which consist of (i) [REDACTED]-related expenses (including but not limited to commissions and fees) of approximately HK\$[REDACTED] million, and (ii) non-[REDACTED]-related expenses of approximately HK\$[REDACTED]

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million, including (a) fees and expenses of legal advisers and accountants of approximately HK\$[REDACTED] million, and (b) other fees and expenses of approximately HK\$[REDACTED] million. Approximately HK\$[REDACTED] million of the [REDACTED] expenses is directly attributable to the issue of our Shares to the public and is expected to be recognized directly as a deduction from equity upon the [REDACTED], approximately HK\$[REDACTED] million has been expensed during the Track Record Period, and the remaining amount of approximately HK\$[REDACTED] million of the [REDACTED] expenses is expected to be expensed prior to the [REDACTED].

FUTURE PLANS AND USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] range), we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] million from the [REDACTED] after deducting the [REDACTED] commissions and other estimated expenses in connection with the [REDACTED] and assuming that the [REDACTED] is not exercised. In line with our strategies, we intend to use our [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- Approximately [REDACTED]% or HK\$[REDACTED] million, for enhancing our Marketingforce platform and cloud-based offerings.
- Approximately [REDACTED]% or HK\$[REDACTED] million will be allocated to improve our underlying technologies including AI, big data analysis and cloud computing.
- Approximately [REDACTED]% or HK\$[REDACTED] million will be allocated to expand our sales network, enhance customer success system and improve brand presence.
- Approximately [REDACTED]% or HK\$[REDACTED] million will be allocated to achieve strategic investment and acquisition to enhance our Marketingforce platform, enrich our product matrix and improve existing product functions.
- Approximately [REDACTED]% or HK\$[REDACTED] million will be allocated to working capital and general corporate purposes.

For more details on our plans for using the [REDACTED] of the [REDACTED], see “Future Plans and Use of [REDACTED].”

DIVIDEND POLICY

As advised by our Cayman Islands legal advisor, under Cayman Islands law, a position of accumulated losses and net liabilities does not necessarily restrict our Company from declaring and paying dividends to our Shareholders. Our Company may declare and pay a dividend out of either our profit or our share premium account, provided this would not result in our Company being unable to pay its debts as they fall due in the ordinary course of business. As we are a holding company incorporated under the laws of the Cayman Islands, the payment and amount of any future dividends will also depend on the availability of dividends

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received from our subsidiaries, including the ones in the PRC. According to PRC law and regulations, we may not pay dividends unless we have distributable profits in a given year as determined under PRC GAAP or IFRS. PRC laws also require foreign-invested enterprises incorporated in PRC to set aside at least 10% of their after-tax profits, if any, to fund certain statutory reserves, until the statutory reserves reach and remain at or above 50% of the relevant PRC entity's registered capital, which are not available for distribution as cash dividends. Any dividends we pay will be determined at the absolute discretion of our Board, taking into account factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that our Board deems to be appropriate.

During the Track Record Period, we have not declared or paid any dividends. Currently, we do not have a fixed dividend distribution ratio.

IMPACT OF COVID-19

Since the end of December 2019, the outbreak of COVID-19, a novel strain of coronavirus, has affected the world in various aspects, with new variants and subvariants continuing to emerge. In the first half of 2022, the spread of Omicron, a new COVID-19 variant that is more infectious, resulted in resurgences of the pandemic around the world. In response to the COVID-19 pandemic, including the resurgences in 2022, miscellaneous measures were adopted to contain the virus, such as restrictions in travel and public transport, closure of some facilities and premises, and implementation of social distancing measures in various regions from time to time.

Our business operations and financial conditions were adversely affected by the COVID-19 pandemic in 2022, compared to the early stage of the COVID-19 outbreak during the Track Record Period. Due to the impact of the COVID-19, our operating activities were temporarily restrained, including our daily operations and sales and marketing efforts. In the first half of 2022, our offices in several major cities experienced temporal closure for different periods of time, which included Shanghai, Shenzhen, Wuxi and Suzhou. In particular, our headquarters in Shanghai were closed in April and May 2022. During the closure period, over 80% of our employees in our headquarters in Shanghai had to work from home, and we experienced higher level of absence in April and May 2022, comparing with that of the same period in 2021. Furthermore, our sales and marketing efforts also experienced difficulties during the outbreak of COVID-19 in Shanghai, as our sales personnel had to arrange more online customer visits, which are more challenging to secure orders as compared with offline customer visits. The COVID-19 also affected our customer support and after-sale services. For example, we faced difficulties in adjusting contracts promptly for clients who wished to switch their subscription with our products, and we also had trouble delivering invoices to customers during the pandemic, resulting in delayed payments. Our other offices were affected likewise during the relevant COVID-19 outbreak in the first half of 2022. As such, our revenue growth slowed down as our offline sales and marketing activities experienced difficulties during the outbreak. In addition, due to the impact of the pandemic in Shanghai from March to June in 2022, the value of our newly signed subscription contract for the second quarter decreased by

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approximately 49.4% compared to the same period in 2021. Consequently, we recorded a year-over-year increase at 20.8% in the revenue from SaaS business in 2022. By contrast, we recorded a year-over-year increase of 94.8% in the revenue from SaaS business in 2021. Apart from the reduced sales activities mentioned above, however, our business operations and R&D activities were not materially affected by the COVID-19 pandemic. As a result, our financial condition was also affected in 2022. Our other receivables in relation to prepayments on behalf of advertisers to third parties increased from RMB1,065.8 million as of December 31, 2021 to RMB1,334.2 million as of December 31, 2022, which was partially because of the extended credit periods we granted to some of our advertising customers due to the adverse impact of COVID-19 resurgences in 2022. To maintain healthy business relationships with these advertising customers amid the COVID-19 pandemic, we granted longer payment terms, mainly from 90 days to 180 days, to such advertising customers. For example, the four largest advertising customers in terms of the ending balance amounts of other receivables in relation to prepayment on behalf of advertising customers as of December 31, 2022 were granted the longer payment terms, with the amount of other receivables in relation to prepayment on behalf of the four advertising customers accounting for 74.3% of our total ending balance of other receivables in relation to prepayment on behalf of advertising customers as of December 31, 2022. Moreover, our cost payable to media platforms on behalf of customers increased from RMB62.8 million as of December 31, 2021 to RMB319.8 million as of December 31, 2022, mainly attributable to that we slowed down our settlement process with media platforms due to COVID-19 pandemic. See “Financial Information – Prepayments, Other Receivables and Other Asset (Current)” and “Financial Information – Other Payables and Accruals (Current).”

Since the start of June, 2022, we have gradually resumed our normal business operations following the ease of pandemic control across China, including major cities such as Shanghai. Particularly, with the easing of social distancing measures, we are now in the process to resume our offline sales and marketing activities to a normal level. Nevertheless, with the sporadic resurgences of COVID-19 pandemic in several regions in China since June 2022, our offices in such regions have been affected to different extent. Particularly, our sales personnel in those offices temporarily experienced difficulties to conduct in-person customer visits due to the pandemic prevention and control measures in the respective regions. In the third quarter of 2022, we increased sales and marketing activities in light of the improving situation of COVID-19 pandemic. As a result, the newly signed subscription contract value grew slightly by approximately 8.6% and 4.9% compared to the third and fourth quarters of 2021, respectively. Since mid-December 2022, there have been nationwide resurgences of the COVID-19 pandemic in China. As such, our offices in the affected regions experienced disruptions to our operations from time to time.

To mitigate the impact of the COVID-19 pandemic, we have adopted measures to mobilize internal resources and leverage our strong technological capabilities, such as enhancing our R&D efforts to refine our products and services, maximizing our sales force capability and implementing various precautionary policies to ensure the safety of our employees working remotely or onsite. As a result, we had maintained our momentum in revenue growth throughout the Track Record Period. As the COVID-19 pandemic has since subsided, we do not anticipate further adverse impact on our business and financial

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performance. However, we cannot be entirely certain as to when the impact of the COVID-19 pandemic will be completely alleviated. Any prolonged outbreak of the COVID-19 or any similar pandemic may adversely affect our business and financial performance. See “Risk Factors – Risks Related to Our Business and Industry – The COVID-19 and similar pandemic may continue to present challenges to our business and the effects of the pandemic could adversely affect our business, financial condition and results of operations.”

RECENT DEVELOPMENT

Recent Development in Our Business Operations

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since December 31, 2023, being the end date of the periods reported in the Accountants’ Report set out in Appendix I to this document, and there has been no event since December 31, 2023 and up to the date of this document that would materially affect the information shown in the Accountants’ Report set out in Appendix I to this document.

Recent Regulatory Developments

On February 17, 2023, the CSRC promulgated Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “Overseas Listing Trial Measures”) and five supporting guidelines, which came into effect on March 31, 2023. Pursuant to the Overseas Listing Trial Measures, PRC domestic companies that seek to offer and list securities in overseas markets, either directly or indirectly, are required to fulfill the filing procedure with the CSRC and report the relevant information. The Overseas Listing Trial Measures also provides that the overseas securities offering and listing will be deemed as an indirect overseas offering by PRC domestic companies if (i) 50% or more of any of the issuer’s operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent fiscal year are accounted for by PRC domestic companies; and (ii) the issuer’s principal business activities are conducted in the PRC, or its principal place(s) of business are located in the PRC, or the senior executives responsible for its business operations and management are mostly Chinese citizens or persons domiciled in the PRC. Where an issuer submits an application for initial public offering to competent overseas regulators, it must file with the CSRC within three business days after such application is submitted to the overseas regulators. At the press conference held for the Overseas Listing Trial Measures on the same day, officials from the CSRC clarified that, as for companies seeking the overseas listing with contractual arrangements, the CSRC will solicit opinions from relevant regulatory authorities and complete the filing of the overseas listing of such companies if they duly meet the compliance requirements, and support the development and growth of these companies by enabling them to utilize resources in different markets. We submitted the required filing documents to the CSRC on April 24, 2023, and obtained the Record-filing Notice of Overseas Offering and Listing on February 7, 2024. See “Regulatory Overview – Regulations Relating to Foreign Exchange – Overseas Listing and M&A” for details.

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On August 15, 2023, the Provisional Regulatory Measures on Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》) (the “AIGC Measures”) took effect. The AIGC Measures provides, among others, that individuals or organizations that provide generative AI services of text, image or sound to the general public shall assume the responsibilities as the producers of the AI-generated content thereon. Further, if the services have attribute of public opinions or capability of social mobilization, the service providers shall apply for security assessment according to relevant regulations and complete the filing formalities of algorithms in accordance with the Administrative Provisions on Internet Information Service Algorithm-Based Recommendation. (《互聯網信息服務算法推薦管理規定》)

As advised by our PRC Legal Advisor, as of the date of this Document, the official regulatory interpretation regarding the “attribute of public opinions or capability of social mobilization” remains unclear. Therefore, as of the date of this Document, it is uncertain whether we are required to conduct the security assessment or complete the filing formalities of algorithms. However, we will closely monitor the relevant legislations and regulatory practice in this regard to remain in up-to-date compliance with the AIGC Measures. As of the date of this Document, we have filed the application for the security assessment and the filing formalities per the AIGC Measures, and our application is pending the competent authorities’ review.

Based on the above, we are of the view that the AIGC Measures may impose certain compliance requirements on us, and no material impediment to our compliance with the AIGC Measures has been noticed. See “Regulatory Overview – Regulations Relating to Artificial Intelligence Services” for details.