FUTURE PLANS

See "Business – Our Strategies" for a detailed description of our future plans.

USE OF [REDACTED]

We estimated that we will receive [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**], after deducting [**REDACTED**], fees and estimated expenses payable by us in connection with the [**REDACTED**], assuming no [**REDACTED**] is exercised, and an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the midpoint of the indicative [**REDACTED**] stated in this document.

In line with our strategies, we currently intend to apply these [**REDACTED**] for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

- approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be allocated to develop and improve our AI technologies empowering content creation and distribution, including:

  (i) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] will be allocated to develop toolchains for AI-generated novels, scripts and animations, build proprietary training datasets by cleansing and labeling our proprietary data as well as data procured from third parties, recruit algorithm teams, and procure computing power resources; and

  (ii) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] will be used for general R&D expenses, covering development of domestic and overseas content platforms, as well as development and maintenance of internal information management platforms.

- approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used to build an overseas micro drama ecosystem, including:

  (i) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] will be allocated to develop multi-language micro drama apps tailored to the local user preferences, deploy a global CDN and build operation infrastructure, establish a compliance review platform, and secure overseas legal support; and

  (ii) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] will be used to build local operation teams in regions such as North America and Southeast Asia, conduct localized adaptation of micro dramas for overseas users, collaborate with overseas influencers, KOLs and traffic platforms to promote our micro dramas and micro drama platforms, and acquire IPs suitable for adaptation into micro dramas.

- approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be allocated to solidify our content ecosystem, including:

  (i) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] will be used to expand the production of premium online literature and the reserve of high-quality IPs. We intend to identify, nurture, promote and recruit top-tier content creators with outstanding track records, establish dedicated funds to incentivize and reward content creators who produce high-quality literary works resonating with our target audience, and build content production toolkits to better support content creators. We also plan to acquire high commercial potential IPs that align with our IP portfolio; and

(ii) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] will be deployed to develop and produce more premium micro dramas, incubate new IPs, develop/co-develop and adapt our proprietary IPs into games, develop IP derivative products, expand IP licensing teams, and explore offline IP-themed collaborations.

- approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] will be used to repay part of our bank and other borrowings in the next one year, all of which are denominated in Renminbi and for our working capital purpose.
- remaining approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] will be used for working capital and general corporate purposes.

If the [**REDACTED**] is not exercised, the [**REDACTED**] that we will receive will be approximately HK$[**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the midpoint of the indicative [**REDACTED**]). If the [**REDACTED**] is set at HK$[**REDACTED**] per [**REDACTED**], being the low end of the indicative [**REDACTED**], the [**REDACTED**] from the [**REDACTED**] will decrease to approximately HK$[**REDACTED**]. The above allocation of the [**REDACTED**] from the [**REDACTED**] will be adjusted on a pro rata basis in the event that the [**REDACTED**] is fixed at a higher or lower level compared to the midpoint of the indicative [**REDACTED**] stated in this document.

If the [**REDACTED**] is exercised in full, the [**REDACTED**] that we will receive will be approximately HK$[**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the midpoint of the indicative [**REDACTED**]). If the [**REDACTED**] is set at HK$[**REDACTED**] per [**REDACTED**], being the high end of the indicative [**REDACTED**], the [**REDACTED**] from the [**REDACTED**] will increase to approximately HK$[**REDACTED**]. If the [**REDACTED**] is set at HK$[**REDACTED**] per [**REDACTED**], being the low end of the indicative [**REDACTED**], the [**REDACTED**] from the [**REDACTED**] will decrease to approximately HK$[**REDACTED**]. In the event that the [**REDACTED**] is exercised in full, we intend to apply the additional [**REDACTED**] to the above purpose in the proportions stated above.

To the extent that our [**REDACTED**] are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations, bank loans and other borrowings. To the extent that the [**REDACTED**] are not immediately applied to the above purposes and to the extent permitted by the relevant laws and regulations, the unused [**REDACTED**] will only be held in short-term deposits with licensed banks and/or authorized financial institutions (as defined under the SFO for Hong Kong based deposits or the applicable laws in the relevant jurisdiction for non-Hong Kong based deposits). We will make an appropriate announcement if there is any change to the above proposed [**REDACTED**].