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Application proof of

UJU HOLDING LIMITED

(Incorporated in the Cayman Islands with limited liability)

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UJU HOLDING LIMITED

(Incorporated in the Cayman Islands with limited liability)

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] Shares (subject to reallocation)**
Number of [REDACTED]	**:**	**[REDACTED] Shares (subject to reallocation and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per [REDACTED], plus brokerage of 1%, SFC transaction levy of 0.0027%, and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**US$[0.01] per Share**
[REDACTED]	**:**	**[REDACTED]**

Sole Sponsor

民銀資本 CMBC CAPITAL HOLDINGS LIMITED

Financial Adviser

軟庫中華 SBI China Capital

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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A copy of this document, having attached thereto the documents specified in "Appendix V — Documents Delivered to the Registrar of Companies in Hong Kong and Available for Inspection", 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 and the Registrar of Companies in Hong Kong take no responsibility for the contents of this document or any other document referred to above.

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The **[REDACTED]** is expected to be determined by agreement between the **[REDACTED]** (for themselves and on behalf of the **[REDACTED]**) and our Company on the **[REDACTED]**, which is expected to be on or about **[REDACTED]** and, in any event, not later than **[REDACTED]**. The **[REDACTED]** will not be more than HK$**[REDACTED]** per **[REDACTED]** and is expected to be not less than HK$**[REDACTED]** per **[REDACTED]**, unless otherwise announced. Applicants for **[REDACTED]** are required to pay, on application, maximum **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** for each **[REDACTED]** together with brokerage of 1%, SFC transaction levy of 0.0027%, and Stock Exchange trading fee of 0.005%, subject to refund if the **[REDACTED]** as finally determined is less than HK$**[REDACTED]** per **[REDACTED]**.

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

The [REDACTED] (for themselves and on behalf of the [REDACTED]), with our consent, may reduce the number of [REDACTED] being offered under the [REDACTED] and/or the [REDACTED] stated in this document at any time on or prior to the morning of the last day for lodging applications under the [REDACTED]. In such a case, an announcement will be published on the websites of the Stock Exchange at www.hkexnews.hk and our Company at www.ujumedia.com not later than the morning of the day which is the last day for lodging applications under the [REDACTED]. Details of the arrangement will then be announced by us as soon as practicable. For further information, please see the sections headed "Structure of the [REDACTED]" and "How to Apply for [REDACTED]".

The obligations of the **[REDACTED]** under the **[REDACTED]** are subject to termination by the **[REDACTED]** (for themselves and on behalf of the **[REDACTED]**) if certain grounds arise prior to 8:00 a.m. on the **[REDACTED]**. Please see the section headed "**[REDACTED]** — **[REDACTED]** Arrangements — **[REDACTED]** — Grounds for Termination."

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

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IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

This document is issued by our Company solely in connection with the **[REDACTED]** *and the* **[REDACTED]** *and does not constitute an offer to sell or a solicitation of an offer to subscribe for or buy any security other than the* **[REDACTED]**. *This document may not be used for the purpose of, and does not constitute, an offer to sell or a solicitation of an offer to subscribe for or buy any security in any other jurisdiction or in any other circumstances. No action has been taken to permit a* **[REDACTED]** *of the* **[REDACTED]** *or the distribution of this document in any jurisdiction other than Hong Kong. The distribution of this document and the* **[REDACTED]** *and sale of the* **[REDACTED]** *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.*

You should rely only on the information contained in this document to make your investment decision. We have not authorized anyone to provide you with information that is different from what is contained in this document. Any information or representation not included in this document must not be relied on by you as having been authorized by us, the Sole Sponsor, the **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]**, *any of our or their respective directors, officers, employees, agents or representatives of any of them, or any other person or party involved in the* **[REDACTED]**. *Information contained on our website, located at www.ujumedia.com, does not form part of this document.*

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This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the whole 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 the section headed "Risk Factors" in this document. You should read that section carefully before you decide to invest in the* **[REDACTED]**.

OVERVIEW

We are one of fast-growing market players, despite our short operating history since 2018 in China's emerging and rapid-growing online short video marketing solutions industry. We mainly generate our revenue by providing one-stop cross-media online marketing solutions, in particular online short video marketing solutions, through our media partners for our advertiser customers to market their products and services. Under the all-in-one service, our revenue is generated by providing customized marketing solutions by planning, producing, placing and optimizing online advertisements, especially online short video advertisements, to help our advertiser customers acquire, convert and retain final consumers on various leading media platforms. We establish recognized and long-term partnership with a broad base of premium media partners, including leading online short video platforms, social media platforms and search engine platforms in China, and offer them opportunities to monetize their ad inventories and user traffic more effectively and efficiently. We also provide traffic acquisition service only to distribute the advertisements on the online media platforms designated by the advertisers, revenue generated from which is recognized under advertisement distribution service.

We operate in a fragmented, competitive and rapid-growing industry where the size of online marketing market in China, as measured by marketing gross billing according to iResearch, increased significantly from RMB218.5 billion in 2015 to RMB766.6 billion in 2020, and is expected to further grow at a CAGR of 16.7% from RMB766.6 billion in 2020 to RMB1,657.3 billion in 2025. According to iResearch, we contributed to approximately 1.1% of the total marketing gross billing of China's online marketing market in 2020. The online short video marketing market is an important component and driver of the overall online marketing market. Its market size, in terms of the percentage of the market size of online marketing market, has grown significantly from 6.1% in 2018 to 24.1% in 2020, and is expected to increase to 42.5% in 2025 according to iResearch. The online short video marketing market in China, in terms of the total online short video marketing gross billing, increased significantly at a CAGR of 147.3% from RMB30.2 billion in 2018 to approximately RMB184.6 billion in 2020, and is expected to further grow at a CAGR of 30.7% from RMB184.6 billion in 2020 to RMB704.3 billion in 2025 according to the same source. Meanwhile, according to iResearch, we ranked the second largest online marketing service provider in China in terms of gross billing generated from online short video advertisements placed on online media platforms in 2020 with market share of approximately 3.0%[1]. We also ranked the second largest online marketing service provider in China in terms of gross billing generated from advertisements placed on online short video platforms in 2020 with market share of approximately 3.9%[1]. In addition, we ranked the largest online marketing service provider in China in terms of gross billing generated from advertisements placed by general e-commerce platform advertisers on online short video platforms in 2020 with market share of approximately 16.0% according to the same source.

Note:

[1] Both markets are sub-sectors of the PRC online marketing market.

Our rapid growth, in particular, the revenue growth during the Track Record Period was mainly attributable to (i) the rapid growth of online short video marketing industry since 2018; and (ii) our strengths in content production capabilities, market-oriented technology strengths and insightful management leadership to build and develop strong advertiser customer and media partner bases. We were dedicated to providing high-quality, attention-catching and effective online short video marketing solutions since our incorporation in 2017. As a result of the increasing popularity of online short videos, prevalence of internet mobile devices and upgraded information technology infrastructure, China's online short video marketing market experienced significant growth since 2018 and its market shares increased to 6.1% of the total online marketing market in the same year. We were able to enjoy customer and media partner network effects and achieve rapid growth in line with the fast development of online short video marketing solutions market.

During the Track Record Period, our total revenue generated from online marketing solutions business increased significantly from RMB1,156.3 million in 2018 to RMB3,450.9 million in 2019 and further to RMB6,360.7 million in 2020, and increased from RMB1,441.3 million for the four months ended April 30, 2020 to RMB2,214.2 million for the four months ended April 30, 2021. Our profit for the year increased rapidly from RMB50.1 million in 2018 to RMB81.9 million in 2019 and further to RMB133.2 million in 2020, and increased from RMB12.6 million for the four months ended April 30, 2020 to RMB68.6 million for the four months ended April 30, 2021. In particular, our total gross billing generated from online marketing solutions business increased significantly from RMB1,972.4 million in 2018 to RMB5,152.2 million in 2019 and further to RMB8,767.5 million in 2020, and increased rapidly from RMB2,046.5 million for the four months ended April 30, 2020 to RMB3,123.5 million for the four months ended April 30, 2021.

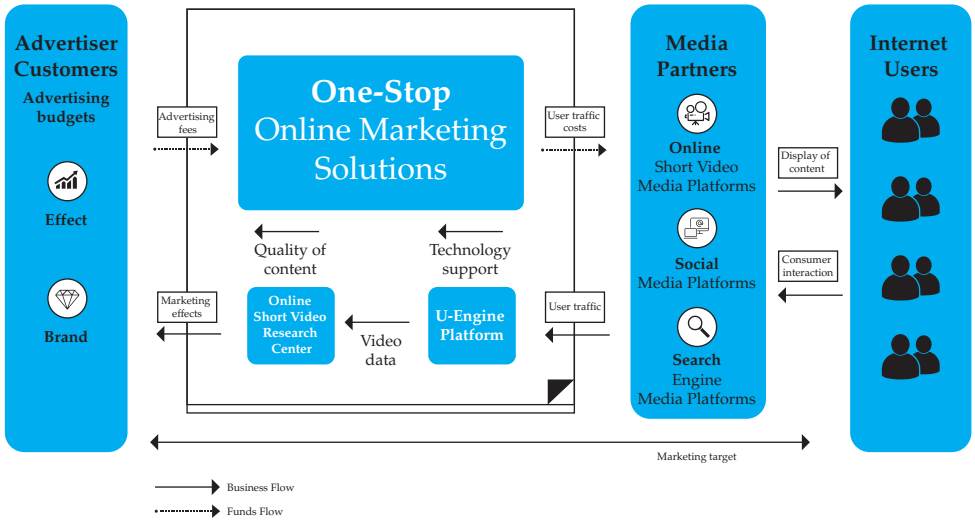
The number of our advertiser customers increased from 484 in 2018 to 757 in 2019 and further to 1,028 in 2020, and increased from 565 for the four months ended April 30, 2020 to 651 for the four months ended April 30, 2021. As at the Latest Practicable Date, we had over 900 advertiser customers. The average gross billing generated by each advertiser customer, which is measured by the total gross billing divided by the total number of our advertiser customers, increased from RMB4.1 million in 2018, to RMB6.8 million in 2019 and further to RMB8.5 million in 2020, and increased from RMB3.6 million for the four months ended April 30, 2020 to RMB4.8 million for the four months ended April 30, 2021.

OUR BUSINESS MODEL

We provide one-stop cross-media online marketing solutions through our media partners for our advertiser customers to market their products and services. Our advertiser customers mainly include direct advertisers and, to a lesser extent, advertising agencies on behalf of their advertisers. Generally, as requested by our advertiser customers, we may place the online marketing solutions to their designated online media platforms. If the advertiser customers have no specific instructions, we may also place the advertisements on multiple popular online short video platforms with high average DAUs and MAUs taking account of various factors such as our advertising customers' marketing budgets, KPI requirements and user traffic purchasing costs of the online media platforms. We charge our advertiser customers primarily on a mixed basis of CPC (cost per click, a pricing model where advertising is paid on the basis of each click of the

advertisement) and CPT (cost per time, a time-based pricing model where advertising is paid on a fixed price for a given period), while our media partners charge us and we pay the traffic acquisition costs based on the same mechanisms which depends on how our advertiser customers' advertisement is placed and charged. Save for the CPC and CPT pricing model, we do not have other pricing model that have material revenue contribution. Most of our advertiser customers set KPI metrics such as cost per clicks, cost of installs, cost of register by new users as well as return of investments, which are mainly used for the advertiser customers' references to assess our performances but will not affect their payment to us and used by us to assess and optimize campaign performance.

The following chart sets forth the business model for our online marketing solutions business:



OUR PROPRIETARY ONLINE MARKETING SOLUTIONS SERVICES PLATFORM – U-ENGINE PLATFORM

We integrate years of online marketing experiences and engaged some software developers in China to develop and launch our self-service U-Engine platform in April 2020. U-Engine platform is an intelligent online short video marketing solution placement, optimization and management platform which allows us to manage the service needs from our customers, produce and store online short video advertisement elements and place them on different online media platforms in a more effective and efficient manner. It can also help us accumulate valuable operational data and information assets for our further content production. Specifically, U-Engine platform is equipped with a wealth of analysis tools and functional modules, covering the full range of the production, storage, intelligent placement, analysis & optimization and management campaigns of our creative online marketing solutions. At present, we use the U-Engine platform internally.

OUR CREATIVITY AND CONTENT PRODUCTION CAPABILITY

We see our robust creative content production capability as one of our core competences, enabling us to differentiate from and outperform our competitors in the market. As of the Latest Practicable Date, we had a content production team of 380 persons with the capacity to produce over 20,000 pieces of online short video and marketing creatives each month. As of the same date, we have built advanced online short video shooting bases in Beijing and Chongqing, and both of them are equipped with professional equipment. In 2019, we founded our online short video research center to research the structure, elements, copywriting and consumer profile of popular online short videos, so as to seek the patterns behind such popularity to propose creative insights and innovative ideas and further promote our robust content production capabilities.

KEY OPERATING DATA

The following table sets forth some key performance indicators of our online marketing solutions for the periods indicate below:

	Year ended December 31,			Four months ended April 30,
	2018	2019	2020	2021
Impressions (millions) [(1)(3)]	250,080	378,168	536,989	168,913
Click-throughs (millions) [(2)(3)]	3,100	9,102	14,631	4,460
Click-throughs Rate (%)[(4)]	1.24%	2.41%	2.72%	2.64%

(1) Impressions refer to the total number of pages review of our online advertisements for the periods indicated.

(2) Click-throughs refer to the total number of clicks on the online advertisements placed by us for the periods indicated.

(3) We charge our advertiser customers for our online marketing solutions primarily based on CPC and CPT. Our revenue derived from online marketing solutions business is positively correlated to the total number of impressions and click-throughs.

(4) Click-through rate is calculated as the total number of click throughs divided by the total number of impressions.

OUR CUSTOMERS AND SUPPLIERS

Our Customers

Our advertiser customers mainly include direct advertisers and, to a lesser extent, advertising agencies on behalf of their advertisers. Our top five customers comprise e-commerce companies, internet services companies, online gaming companies and cosmetic products companies, online education companies, software developing companies as well as traveling and leisure companies. We have maintained business relationships with our five largest customers during the Track Record Period of two to three years as of the Latest Practicable Date. We generally grant to our customers credit terms of 30 to 120 days. Sometimes we also require certain advertiser customers to prepay for our online marketing solutions services.

For the years ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2021, revenue from our five largest customers accounted for approximately 50.8%, 47.7%, 57.8% and 48.8% of our total revenue, respectively, and revenue from our largest customer accounted for approximately 25.4%, 24.5%, 42.3% and 36.0% of our total revenue during the same periods, respectively. For the year ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2021, revenue generated from our top five advertiser customers of all-in-one service accounted for 52.8%, 48.8%, 58.4% and 50.0% of our total revenue from all-in-one service, respectively. Our largest customer under the all-in-one service, Customer A, accounted for 26.5%, 25.1%, 42.8% and 36.9% for the years ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2021. For the same periods, revenue generated from our top five advertiser customers of advertisement distribution service accounted for 42.1%, 48.1%, 42.4% and 45.1% of our total revenue from advertisement distribution service, respectively. Our largest customers under the advertisement distribution service accounted for 21.4%, 21.1%, 12.6% and 12.3% for the years ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2021, which we do not consider there was particular concentration risk or any particular impact on our profitability as it accounted for a comparatively small portion of our revenue during the Track Record Period. See "Risk Factors — Risks Relating to Our Business and Industry — We generated majority portion of revenues from our largest five advertiser customers, in particular our largest advertiser customer, Customer A, during the Track Record Period" for details.

To the best knowledge of our Directors, during the Track Record Period and as of the Latest Practicable Date, none of our Directors, their respective associates or any of our shareholders who owns more than 5% of our issued share capital had any interest in any of our five largest clients. See "Business — Top Customers and Suppliers — Top Customers."

In the unlikely circumstances where online media platforms acquire our advertiser customers, our advertiser customers may also transact with the online media platforms directly and cease to transact with us, our business, results of operations and financial position could be materially and adversely affected. See "Risk Factors — Risks Relating to Our Business and Industry — If online media platforms transact with advertisers directly, we may be exposed to the risk of disintermediation" for further details.

Our Relationship with Customer A

During the Track Record Period, we have established a strong and strategic relationship with Customer A which was also our largest customer. Customer A first engaged us to market its products and services on major online media platforms in 2018. As of the Latest Practicable Date, we mainly delivered online marketing solutions, in particular online short video marketing solutions to Customer A as a non-exclusive online marketing solutions provider for nearly three years and have not experienced any material disputes with it. During the Track Record Period, our revenue derived from Customer A amounted to approximately 25.4%, 24.5%, 42.3% and 36.0% of our total revenue for the years ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2021, respectively. For more details in relation to our relationship with Customer A, see "Business — Top Customers and Suppliers — Top Customers — Our relationship with Customer A".

Our Suppliers

Our major suppliers are online media platforms such as online short video platforms, information feeds platforms and major search engine platforms from whom we acquire user traffic. Our five largest suppliers during the Track Record Period comprised online media platforms and media agents. We have maintained business relationships with our five largest suppliers during the Track Record Period of one to three years as of the Latest Practicable Date. Our suppliers generally grant us credit terms within 90 days. Certain suppliers also require prepayments for acquiring their user traffic.

For the years ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2021, the costs of services attributable to our five largest suppliers accounted for approximately 96.2%, 95.3%, 94.3% and 92.3% of our total costs of services, respectively, and costs of services attributable to our largest supplier, Supplier A, accounted for approximately 53.3%, 73.2%, 71.0% and 69.3% of our total costs of services during the same periods, respectively. We enter into annual framework agreements with Supplier A which are subject to annual renewal. To the best knowledge of our Directors, during the Track Record Period and as of the Latest Practicable Date, none of our Directors, their respective associates or any of our shareholders who owns more than 5% of our issued share capital had any interest in any of our five largest suppliers. See "Business — Top Customers and Suppliers — Top Suppliers" for more details.

Reliance on Supplier A

During the Track Record Period, Supplier A was our single largest supplier. According to iResearch, Supplier A's market share in the online short video platform industry was around 75% in terms of total marketing gross billing in 2020 in China. Due to its dominant market leadership and largest market shares in China's online short video platform industry, we purchased a substantial amount of user traffic from Supplier A and generated a substantial portion of our revenue through Supplier A during the Track Record Period. For the years ended December 31, 2018, 2019 and 2020, our total gross billings generated through Supplier A's content distribution platforms grew at a CAGR of 165.0% from RMB850.4 million to RMB3,455.2 million and further to RMB5,969.9 million, accounting for 43.1%, 67.1% and 68.1% of our total gross billings generated for the same years, respectively. Our total gross billing generated through Supplier A's content distribution platforms recorded RMB2,065.1 million, accounting for 66.1% of our total gross billing for four months ended April 30, 2021. We also rely on Supplier A's platforms to collect online short video advertisements performance data to analyse and develop our own data graphs. Additionally, we enter into annual framework agreements with Supplier A, which is confirmed by iResearch to be an industry norm. Such annual framework agreements are subject to annual renewal, and we have successfully renewed such agreements with Supplier A for three times on similar key terms and conditions since we first commenced business with Supplier A in 2018. To the best knowledge of our Directors, which is concurred by iResearch, it is uncommon for advertiser customers to transact directly with the online media platforms in the market. Supplier A has not offered any material online marketing solution services directly to nor has any material transaction directly with our major advertiser customers during the Track Record Period. For more details in relation to our reliance on Supplier A and disintermediation, see "Business — Top Customers and Suppliers — Top Suppliers — Supplier Concentration on Supplier A."

PRICING MODELS

We charge our direct advertiser customers or advertising agencies who represent their respective advertisers for our online marketing solutions primarily based on a mix of CPC or CPT. The CPC, namely, Cost-Per-Click mechanism is a performance-based metric and under which we charge our customers when and if an audience clicks the online marketing solutions we placed. The CPT, namely, Cost-Per-Time mechanism, under which we charge our customers for placing a piece of online short video for a specific period of time contractually agreed by our advertiser customers and us. The revenue under CPC is recognised when specified action, such as click-throughs, is performed, while the revenue under CPT is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. During the Track Record Period, we used CPC and CPT methods for both of our all-in-one services and advertisement distribution services. During the Track Record Period, most of our direct advertiser customers are charged based on CPC mechanism.

We recognize revenue from online marketing solutions business on a gross or net basis based on our role under each particular contract with advertiser customers. For contracts where we act as a principal, we recognize revenue on a gross basis, while for contracts where we act as an agent, we recognize revenue on a net basis. If we, amongst others, are the primary obligor in a transaction, or have control in determining prices or selecting online media platforms, we are deemed as a principal and record revenue on a gross basis. Otherwise, we are deemed as an agent and record the net amount earned as commissions from the service we provide. Following factors, among others, will also be taken account of in determining whether we act as a principal or agent: (a) whether we are primarily responsible for fulfilling the promise to provide the specified service; and (b) whether we have discretion in establishing the prices for the specified goods or service. Specifically, for all-in-one online marketing solution service, we recognize revenue on a gross basis; while for advertisement distribution services, we provide user traffic acquisition service only and recognize revenue on a net basis.

Generally, we charge advertiser customers based on the same pricing model as media partners charge us. During the Track Record Period, we did not enjoy any bulk purchase discount in its acquisition of traffic from online media platforms. We pay our media partners for traffic acquisition primarily based on a mix of CPC and CPT. Media partners may grant to us rebates mainly based on the gross spending of the advertiser customers (i) in the form of prepayments for future traffic acquisition; (ii) to net off the accounts payables we owed to them; or (iii) in cash. We record such rebates as reduction of cost of services under gross basis, or as revenue under net basis. As advised by our PRC Legal Advisors, such rebates offered by our media partners are legal and do not violate any applicable PRC laws and regulations in all material aspects. Meanwhile, rebates are in consistent with the market practice according to iResearch.

For further details on our revenue recognition policy and the rebates that we grant to advertiser customers and online media platforms grant to us, see "Financial Information — Critical Accounting Policies and Estimates — Revenue Recognition."

DATA SOURCES

We collect certain user data from the online media platforms, including (i) a wide variety of data on a real-time basis from the online media platforms through API connections, which include ad performance data, such as impressions, video views, clicks-through, conversion rates and cost per conversion; and (ii) some necessary ad performance data to enhance our AI, algorithm-driven and data base technologies. We also collect additional data that are voluntarily provided by advertiser customers, including post-ad interaction events such as account registration and activation and placement of order, which are not readily available through analysis of data provided by online media platforms.

We are of the view that the data privacy risk associated with such data collection is low, because (i) we generally provide online marketing solutions only to business (i.e. enterprise advertiser customers) rather than individuals (i.e. natural persons). Accordingly, the data we collect is generally limited to performance data of enterprises rather than personal data of natural persons, and is device-specific and we distinguish internet devices by device IDs, while we generally do not collect or store any personal data that can identify a real person, such as legal name, phone number and personal ID, whereas the applicable data privacy laws in China are mainly focused on the protection of personal data rather than performance data of enterprises; and (ii) these data are mainly used to strengthen our content production capabilities, and not related to any consumer profile or preference, any other personal information or otherwise involves data privacy issues. Our PRC Legal Advisors are of the view that the collection of such data is in compliance with applicable laws and regulations in China. See "Business — Data Sources" for details on our data collection. See "— Recent Developments — Recent Developments on Our Regulatory Environment — Regulation and Policy Changes on Consumer Privacy Protection" in this section for details on data privacy.

OUR COMPETITIVE STRENGTHS

We believe that we have the following competitive strengths:

- marketing, in China enjoying rapid growth
- Premium media partner base and selected, diversified and fast-growing advertiser base
- Robust and efficient content production capabilities in online short video marketing solutions
- Efficient, effective and proprietary online marketing solutions services platform — U-Engine platform
- Highly experienced management team

OUR STRATEGIES

We plan to implement the following strategies:

- Continue to upgrade our U-Engine platform with AI capabilities and SaaS technologies
- Explore innovative and intelligent e-commerce marketing solutions on leading online short video platforms
- Develop and enhance online short videos content production capacity
- Reinforce and expand our relationships with media partners and advertiser customers
- Explore strategic alliance, investments and acquisitions to integrate industry resources

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:

- We rely on Supplier A's media platforms to acquire user traffic for our advertiser customers during the Track Record Period. If we fail to maintain our business relationship with Supplier A or if Supplier A loses its leading market position or popularity, our business, financial condition and results of operations could be materially and adversely affected.
- We have recorded decreasing gross profit margins during the Track Record Period.
- We have a limited operating history and are subject to risks and uncertainties associated with operating in a rapidly developing and evolving industry, and our rapid historical growth may not be indicative of our future performance.
- Our business is subject to complex and evolving laws and regulations. Many of these laws and regulations are relatively new and subject to changes and uncertain interpretation, and could result in claims, changes to our business practices, monetary penalties, increased cost of operations, or declines in user growth or engagement, or otherwise harm our business.
- The online short video marketing industry in which we operate is highly competitive. If we fail to compete effectively against our competitors, we could lose advertiser customers and media partners, and our revenue may decline.

- If we fail to retain the existing advertiser customers and media partners, deepen or expand our relationships with the advertiser customers and media partners, or attract new advertiser customers and media partners, our financial condition, results of operations and prospects may be materially and adversely affected.

- If online media platforms transact with advertisers directly, we may be exposed to the risk of disintermediation.

OUR CONTROLLING SHAREHOLDERS

Immediately after completion of the [**REDACTED**] and the [**REDACTED**] (excluding any Share which may be issued pursuant to the exercise of the [**REDACTED**] and any option which may be granted under the Share Option Scheme), Mr. Ma through Supreme Development, Vast Business and Aura will control approximately [**REDACTED**] of the total issued share capital of the Company. As such, Supreme Development, Vast Business, Aura and Mr. Ma will continue to be our Controlling Shareholders after the [**REDACTED**]. See "History, Development and Reorganization" and "Relationship with Controlling Shareholders" for details of our Controlling Shareholders.

PRE-[REDACTED] INVESTMENT

Mr. Xiong, Aoji Education, Clever Gain, Market Harvest, Sky Infinity, Week8, Gaorong Partners Fund V-A and Gaorong Partners Fund V, as our Pre-[**REDACTED**] Investors, have invested in our Company, representing approximately [**REDACTED**] of the total issued share capital of our Company in aggregate after completion of the [**REDACTED**] and the [**REDACTED**] (excluding any Share which may be allocated to Clever Gain in the [**REDACTED**], any Share which may be issued pursuant to the exercise of the [**REDACTED**] and any option which may be granted under the Share Option Scheme). See "History, Development and Reorganization — Pre-[**REDACTED**] Investments" for details of our Pre-[**REDACTED**] Investments.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountant's Report set out in Appendix I to this document. You should read this summary in conjunction with our consolidated financial information included in the Accountant's Report in Appendix I to this document, including the accompanying notes, and the information set forth in "Financial Information."

Description Of Selected Items Of Statement Of Profit Or Loss And Other Comprehensive Income

The following table sets forth our consolidated statements of profit or loss and other comprehensive income for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (Unaudited)	(RMB'000)
Revenue	1,156,278	3,450,856	6,360,724	1,441,293	2,214,164
Cost of services	(1,049,623)	(3,211,600)	(6,035,343)	(1,370,292)	(2,093,364)
Gross profit	106,655	239,256	325,381	71,001	120,800
Selling expenses	(13,588)	(18,259)	(18,797)	(5,289)	(9,251)
General and administrative expenses	(19,416)	(28,409)	(44,678)	(10,148)	(25,320)
Research and development expenses	–	–	(4,399)	(3,267)	(1,464)
Net impairment losses on financial assets	(926)	(77,493)	(53,744)	(26,926)	(8,211)
Other income	535	6,919	3,516	411	26,635
Other losses, net	(221)	(681)	(1,650)	(236)	(44)
Operating profit	73,039	121,333	205,629	25,546	103,145
Finance income	222	262	255	49	118
Finance costs	(4,357)	(11,393)	(27,686)	(8,531)	(9,204)
Finance costs – net	(4,135)	(11,131)	(27,431)	(8,482)	(9,086)
Profit before income tax	68,904	110,202	178,198	17,064	94,059
Income tax expenses	(18,760)	(28,288)	(45,019)	(4,470)	(25,420)
Profit for the year/period	50,144	81,914	133,179	12,594	68,639

Revenue

The table below sets forth a breakdown of revenue generated from our online marketing solutions business by type of advertiser customers for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2018		2019		2020		2020		2021	
	(RMB'000)	% of the total	(RMB'000)	% of the total	(RMB'000)	% of the total	(RMB'000) (Unaudited)	% of the total	(RMB'000)	% of the total
Direct advertisers	1,115,466	96.5	3,375,541	97.8	6,294,906	99.0	1,420,580	98.6	2,161,903	97.6
Advertising agencies	40,812	3.5	75,315	2.2	65,818	1.0	20,713	1.4	52,261	2.4
Total	1,156,278	100.0	3,450,856	100.0	6,360,724	100.0	1,441,293	100.0	2,214,164	100.0

During the Track Record Period, e-commerce companies are our largest group of direct advertiser customers. Our revenue generated from e-commerce direct advertisers accounted for approximately 41.3%, 47.7%, 53.4%, 45.7% and 47.0% of our total revenue for the years ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2020 and 2021, respectively, which reflected our strategy to expand our e-commerce advertiser customer base and scale up our business during the Track Record Period. The table below sets forth a breakdown of revenue generated from our online marketing solutions business by type of the industry verticals of our direct advertiser customers for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2018		2019		2020		2020		2021	
	Revenue	% of revenue	Revenue	% of revenue	Revenue	% of revenue	Revenue	% of revenue	Revenue	% of revenue
	(RMB in thousands except for percentages)						(Unaudited)			
E-commerce	460,593	41.3	1,610,688	47.7	3,362,948	53.4	649,589	45.7	1,015,626	47.0
Internet Services	181,241	16.2	739,141	21.9	918,933	14.6	279,068	19.6	370,544	17.1
Gaming	98,326	8.8	325,755	9.7	961,931	15.3	316,573	22.3	297,454	13.8
Leisure & Travelling	205,337	18.4	301,790	8.9	255,995	4.1	62,580	4.4	71,718	3.3
Education	78,266	7.0	210,404	6.2	646,436	10.3	86,178	6.1	295,786	13.7
Financial Services	40,499	3.6	117,791	3.5	82,820	1.3	13,600	1.0	83,700	3.9
Real Estate & Home Furnishing	15,663	1.4	50,769	1.5	39,365	0.6	8,843	0.6	18,920	0.9
Others	35,541	3.3	19,203	0.6	26,478	0.4	4,149	0.3	8,155	0.3
Total	1,115,466	100.0	3,375,541	100.0	6,294,906	100.0	1,420,580	100.0	2,161,903	100.0

(1) Others mainly include automobile sales and fast-moving consumer goods industries.

The following table sets forth a breakdown of our revenue generated from online marketing solutions business by revenue recognition methods for the years indicated:

	Year ended December 31,						Four months ended April 30,			
	2018		2019		2020		2020		2021	
	(RMB'000)	% of the total	(RMB'000)	% of the total	(RMB'000)	% of the total	(RMB'000) (Unaudited)	% of the total	(RMB'000)	% of the total
All-in-one service (gross method)	1,108,806	95.9	3,367,848	97.6	6,280,808	98.7	1,419,618	98.5	2,160,699	97.6
Advertisement distribution service (net method)	47,472	4.1	83,008	2.4	79,916	1.3	21,675	1.5	53,465	2.4
Total	1,156,278	100.0	3,450,856	100.0	6,360,724	100.0	1,441,293	100.0	2,214,164	100.0

Our revenue recorded on a gross basis accounted for an increasing and a substantial portion of our total revenue during the Track Record Period, indicating that we have acted as principal and had control in a majority of transactions with our media partners. We sometimes provide only user traffic acquisition services or advertisement distribution service for our advertiser customers, where we act as an intermediary rather than a principal, and our revenue generated therefrom is recorded on a net basis. Under this arrangement, the rebates from the media partners, calculated primarily based on the gross spending of our total traffic acquisition cost, are also recognized as revenue in our consolidated statements of profit or loss and other comprehensive income.

Cost of Services

Our cost of services primarily consists of traffic acquisition and monitoring costs and employee benefit expenses. During the Track Record Period, traffic acquisition and monitoring costs constituted the largest portion of our cost of services, and employee benefit expenses constituted the second largest portion of our cost of services. The "monitoring cost" refers to the costs we pay to the independent third party agencies appointed by us to monitor whether the frequency and duration for display of advertisements under the CPT pricing model were properly delivered as we charge our advertiser customers for placing advertisement for a specific period of time contractually agreed by our advertiser customers and us. For the years ended December 31, 2018, 2019, 2020 and the four months ended April 30, 2020 and 2021, our traffic acquisition and monitoring costs amounted to RMB1,020.2 million, RMB3,172.2 million, RMB5,936.3 million, RMB1,346.5 million and RMB2,035.8 million, respectively, representing approximately 97.2%, 98.8%, 98.4%, 98.3% and 97.2%, respectively, of our total cost of services for the same periods.

The following table sets forth a breakdown of our traffic acquisition costs by major online media platforms during the Track Record Period:

	For the year ended December 31,						Four months ended April 30,	
	2018		2019		2020		2021	
	Cost	% of total traffic acquisition costs	Cost	% of total traffic acquisition costs	Cost	% of total traffic acquisition costs	Cost	% of total traffic acquisition costs
	(RMB in thousands except for percentages)							
Supplier A's content distribution platforms[(Notes 1, 2)]	559,707	54.9	2,351,710	74.1	4,284,864	72.2	1,449,817	71.2
Online short video platforms[(Note 3)]	2,908	0.3	81,850	2.6	858,118	14.5	268,832	13.2
Search engine platforms	401,526	39.3	603,492	19.0	534,461	9.0	209,227	10.3
Social media platforms	–	–	–	–	79,337	1.3	32,574	1.6
Others[(Note 4)]	55,788	5.5	134,601	4.3	178,175	3.0	74,883	3.7
Total	1,019,929	100.0	3,171,653	100.0	5,934,955	100.0	2,035,333	100.0

Notes:

1. For the years ended December 31, 2018, 2019, 2020 and the four months ended April 30, 2021, our total traffic acquisition costs spent on Supplier A's online short video platforms amounted to RMB144.9 million, RMB1,416.7 million, RMB2,764.1 million and RMB886.0 million, accounting for 14.2%, 44.7%, 46.6% and 43.5% of our total traffic acquisition costs for the periods, respectively. Meanwhile, for the years of ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2021, our total traffic acquisition costs spent on Supplier A's advertising alliance platforms amounted to RMB30.8 million, RMB610.3 million, RMB838.3 million, and RMB241.0 million, accounting for 3.0%, 19.2%, 14.1% and 11.8% of our total traffic acquisition costs for the periods, respectively. Additionally, for the years of ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2021, our total traffic acquisition costs spent on Supplier A's news content and information platform amounted to RMB384.0 million, RMB324.7 million, RMB682.5 million, and RMB322.8 million, accounting for 37.6%, 10.2%, 11.5% and 15.9% of our total traffic acquisition costs for the periods, respectively.

2. Supplier A is a leading Chinese internet technology company and operates several popular online content distribution platforms including, among others, online short video platforms, news content and information platforms, and advertising alliance platforms. News content and information platforms refer to online news feed websites and platforms that generally provide customized information feeds services based on internet users' preferences. Advertising alliance platforms in general refer to associated advertising platforms comprising of a group of small-and-medium-scaled websites or online media platforms, which offer online marketing solutions providers better opportunities to place online advertisement for their advertiser customers through various online media platforms.

3. Excluding the traffic acquisition costs incurred on Supplier A's online short video platforms.

4. Others mainly include mobile-device-manufacturer-based media platforms.

Gross Profit and Gross Profit Margin

For the years ended December 31, 2018, 2019, 2020 and the four months ended April 30, 2020 and 2021, our gross profit was RMB106.7 million, RMB239.3 million, RMB325.4 million, RMB71.0 million and RMB120.8 million, respectively. For the years ended December 31, 2018, 2019, 2020 and the four months ended April 30, 2020 and 2021, our gross profit margin was 9.2%, 6.9%, 5.1%, 4.9% and 5.5%, respectively.

The following table sets forth a breakdown of our gross profit and gross profit margin by service offerings and revenue recognition methods for the periods indicated:

	Year Ended December 31,						Four months ended April 30,			
	2018		2019		2020		2020		2021	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%
							(Unaudited)			
All-in-one-services (gross method)	59,183	5.3	156,248	4.6	245,465	3.9	49,326	3.5	67,335	3.1
Advertisement distribution services (net method)[(1)]	47,472	100.0	83,008	100.0	79,916	100.0	21,675	100.0	53,465	100.0
Total	106,655	9.2	239,256	6.9	325,381	5.1	71,001	4.9	120,800	5.5

Note:

(1) When we provide only traffic acquisition services for our advertiser customers, we act as an intermediary, where our traffic acquisition costs directly net off revenue, and we do not record cost of services separately.

Our gross profit increased significantly from RMB106.7 million in 2018 to RMB239.3 million in 2019 and further to RMB325.4 million in 2020. Our gross profit increased rapidly from RMB71.0 million for the four months ended April 30, 2020 to RMB120.8 million for the four months ended April 30, 2021. Such increases in our gross profit were primarily due to the rapid expansion of our online short video marketing solutions business benefiting from the increasing recognition and popularity of online short video marketing.

Our gross profit margin decreased from 9.2% in 2018 to 6.9% in 2019 and further to 5.1% in 2020. See "Risk Factors — We have recorded decreasing gross profit margins during the Track Record Period" for details. Such squeezed profit margin was primarily due to:

(i) an increasing proportion of revenue recognized under all-in-one service which recorded a lower gross profit margin as compared to that of advertisement distribution service, as a result of our rapid business development and growth with direct advertisers. The revenue contribution from all-in-one service represented 95.9%, 97.6% and 98.7% of our total revenue during the Track Record Period; and

(ii) the decreases in the gross profit margin of our services provided under all-in-one service from 5.3% in 2018 to 4.6% in 2019, and further to 3.9% in 2020. Such decrease was primarily because (a) the traffic acquisition costs for purchasing user traffic from top online media platforms increased, which was in line with industry norm and the historical market trend. The increase in traffic acquisition costs was primarily attributable to the reduction of rebates granted to us by the online media platforms, in particular, the online short video platforms, as a result of their increasing bargaining power in line with their rapid development during the Track Record Period. In 2018, 2019 and 2020 and the four months ended April 30, 2021, our traffic acquisition costs net of rebates amounted to RMB1,019.9 million, RMB3,171.7 million, RMB5,935.0 million and RMB2,035.3 million, respectively. For the same periods, rebates we generated from online media platforms accounted for 25.2%, 18.5%, 14.7% and 16.0% of our total revenue, respectively. The increase in traffic acquisition costs net of rebates was primarily due to our business expansion and in line with our increase in revenue. However, the increase in our traffic acquisition costs net of rebates was higher than that of the increase in revenue from 2018 to 2020 was primarily due to the decrease in rate of rebate generated as explained above; and (b) we have incurred additional costs, including staff costs, for short video production in order to satisfy our advertiser customers' demand.

Going forward, we expect our profitability will be improved by further expansion of our business with reducing costs as a result of our continuous efforts to streamline the working process and improve the delivery efficiency of our online marketing solutions. For further details, see "Financial Information — Description of Selected Items of Statement of Profit or Loss and Other Comprehensive Income — Gross Profit and Gross Profit Margin".

Furthermore, our gross profit margin increased from 4.9% for the four months ended April 30, 2020 to 5.5% for the four months ended April 30, 2021. Such increase in gross profit margin was mainly due to (i) the increase in our revenue generated from advertisement distribution service with a gross profit margin of 100.0% attributable to the increase in customers' demand on marketing their products and services on information feeds platforms and major search engine platform; and (ii) comparatively more rebate received from certain online media platforms for the four months ended April 30, 2021, which was primarily in relation to the extra rebates granted by our media platform based on its commercial considerations. To the understanding of our Directors, certain online media platforms grant discretionary incentive rebates so as to increase their competitiveness against other major online media platforms who have leading roles in respective sectors. Such increase was partially offset by the increase in staff cost.

Non-IFRS Adjustments

		Year ended December 31,			Four months ended April 30,
		2018	2019	2020	2021
		(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Gross profit	*(a)*	106,655	239,256	325,381	120,800
Rebates generated from media partners	*(b)*	291,420	637,873	935,862	354,939
Adjusted gross profit[2]	*(a)-(b)*	(184,765)	(398,617)	(610,481)	(234,139)
Profit for the year/period	*(c)*	50,144	81,914	133,179	68,639
Rebates generated from media partners[1]	*(d)*	218,565	478,405	701,897	266,204
Adjusted profit for the year/period[2]	*(c)-(d)*	(168,421)	(396,491)	(568,718)	(197,565)

Notes:

1. The amounts take into account the 25% tax impact.

2. The above adjustments to our gross profit and profit for the year/period of the Track Record Period are presented for illustration of the rebate impact on our profitability. We define (i) adjusted gross profit as gross profit net of rebates received from media partners, and (ii) adjusted profit for the year/period as profit for the year/period net of rebates received. The amount of the adjustments and the consequential impact on our profitability set forth above do not represent our historical operating results during the Track Record Period or otherwise form part of the audited financial information of our Group during the same period set forth in this document.

The amount of rebates generated from media partners is subject to discretion of the media partners and the accounting treatment of which involves accounting estimates. We make accruals for rebates based on estimation and make adjustment when the media partners confirmed the rebates quarterly. See "Financial Information — Critical Accounting Policies and Estimates — Revenue Recognition — Rebates from Media Partners" for details.

Summary of Consolidated Balance Sheets

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Current assets	785,560	1,542,210	2,382,676	2,523,912
Non-current assets	5,918	38,440	60,613	74,515
Total assets	791,478	1,580,650	2,443,289	2,598,427
Non-current liabilities	280	7,564	3,176	11,821
Current liabilities	727,623	1,451,957	2,208,141	2,173,708
Total liabilities	727,903	1,459,521	2,211,317	2,185,529
Net current assets	57,937	90,253	174,535	350,204
Net assets	63,575	121,129	231,972	412,898
Total equity	63,575	121,129	231,972	412,898

During the Track Record Period, our total net assets increased significantly from RMB63.6 million as of December 31, 2018 to RMB121.1 million as of December 31, 2019 and RMB232.0 million as of December 31, 2020, and further to RMB412.9 million as of April 30, 2021. Our net current assets increased significantly from RMB57.9 million as of December 31, 2018 to RMB90.3 million as of December 31, 2019 and RMB174.5 million as of December 31, 2020, and further to RMB350.2 million as of April 30, 2021. The significant increases in net current assets and net assets were mainly attributable to the fast business expansion during the Track Record Period which we were able to generate increasing revenue and net profit and the additional capital injection from the Pre-[**REDACTED**] Investors which resulted in the increase of net current assets and net assets as of the four months ended April 30, 2021. See "Financial Information — Net Current Assets" for details of our net current assets.

Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our cash flows during the Track Record Period:

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (Unaudited)	(RMB'000)
Cash flows from operating activities					
Cash (used in)/generated from operations	(45,409)	(151,884)	214,273	47,289	(263,748)
Interest received	222	262	220	49	115
Income tax paid	(1,938)	(14,626)	(34,184)	(6,252)	(22,848)
Net cash (used in)/generated from operating activities	(47,125)	(166,248)	180,309	41,086	(286,481)
Net cash (used in)/generated from investing activities	(41,091)	34,200	(5,652)	(90,934)	(81,152)
Net cash generated from/(used in) financing activities	97,497	181,406	(103,670)	30,609	306,402
Net increase/(decrease) in cash and cash equivalents	9,281	49,358	70,987	(19,239)	(61,231)
Cash and cash equivalents at beginning of the year	529	9,810	59,168	59,168	130,155
Exchange gains on cash and cash equivalents	–	–	–	–	1,343
Cash and cash equivalents at end of the year	9,810	59,168	130,155	39,929	70,267

During the Track Record Period, we recorded negative operating cash flow of RMB47.1 million, RMB166.2 million and RMB286.5 million in 2018 and 2019 and the four months ended April 30, 2021, respectively. Our operating cash outflow was primarily due to the relatively longer credit terms we granted to our clients than those media partners granted to us and the increase in prepayments to online media platforms and suppliers for the four months ended April 30, 2021. See "Financial Information — Liquidity and Capital Resources — Consolidated Statements of Cash Flows" for details of our cash flows. With an aim to improve our operating cash flow positions, we will:

(i) continue to increase our efforts to collect receivables effectively by closely and regularly following up with our advertiser customers regarding outstanding accounts receivables and strengthen the recoverability, with the aim to achieve better average accounts receivables turnover days;

(ii) utilise the credit terms and periods granted by our suppliers flexibly and continue to strive for more favourable credit terms from our suppliers, thereby allowing us to achieve better average accounts payables turnover days; and

(iii) negotiate with our advertiser customers and suppliers for reducing the credit periods granted to our advertiser customers and obtaining longer credit periods from our media partners, respectively. We will also negotiate with our major media partners or media agencies to lower the amount of prepayments required for acquiring user traffic.

Key Financial Ratios

The following table sets forth certain of our key financial ratios as of the dates or for the periods indicated:

	As of and for the year ended December 31,			As of and for the four months ended April 30,
	2018	2019	2020	2021
		(%)		
Profitability ratios				
Gross profit margin	9.2	6.9	5.1	5.5
Net profit margin	4.3	2.4	2.1	3.1
Return on equity	78.9	67.6	57.4	N/A
Return on assets	6.3	5.2	5.5	N/A

	As of and for the year ended December 31,			As of and for the four months ended April 30,
	2018	2019	2020	2021
Liquidity ratios				
Current ratio	1.1	1.1	1.1	1.2
Capital adequacy ratio				
Gearing ratio	1.5	2.5	1.0	1.0
Net debt to equity ratio	1.4	2.0	0.1	0.9

See "Financial Information — Key Financial Ratios" for details of the above ratios.

RECENT DEVELOPMENTS

Outbreak of Novel Coronavirus Disease 2019

There has been an outbreak of an infectious disease caused by a novel coronavirus (the "**COVID-19**"). The disease quickly spread within the PRC and globally and materially and adversely affected the global economy.

Our Directors are of the view that the recent outbreak of COVID-19 worldwide is not expected to bring any permanent or material interruption to our continuing business operations and sustainability, based on:

- ***Sales of services:*** With the outbreak of COVID-19, some advertiser customers were undergoing financial difficulties, in particular those from tourism industry or located in high risk regions. However, as COVID-19 has almost been controlled in China and these advertiser customers have almost resumed to normal operations, there had been no default on our accounts receivables by such advertiser customers as of the Latest Practicable Date. In addition, advertiser customers in some sectors may postpone their advertising campaigns or even reduce their advertising spending in view of the uncertainty in the economy development. Such impact was offset by the sharply increased demand for online advertising services from advertiser customers in certain sectors such as the e-commerce sector. As a result, we even recorded a revenue increase in 2020 as compared to 2019. According iResearch, the recent outbreak of COVID-19 has not had any material adverse impact on the online short video marketing market in China, given that (i) demand for online advertising services from advertiser customers in certain sectors increased sharply; (ii) advertiser customers have been reallocating their marketing budgets from offline to online, due to restricted offline marketing activities during the COVID-19 outbreak; and (iii) the first quarter of each calendar year is generally the off-peak season for online short video

marketing. The size of online short video marketing market in China is expected to increase to RMB272.3 billion in 2021 from RMB184.6 billion in 2020, according to iResearch; and

- ***Operations:*** We adopted a strict disease prevention scheme to reduce the risk of our employees from infection of COVID-19. Since the COVID-19 outbreak and up to the Latest Practicable Date, we were not aware of any suspected or confirmed case of COVID-19 among our staff, and our operation has not been disrupted due to the COVID-19 outbreak.

Recent Developments on Our Regulatory Environment

Anti-monopoly Laws and Regulations

The PRC anti-monopoly enforcement agencies have in recent years strengthened the enforcement under the PRC Anti-monopoly Law (《中華人民共和國反壟斷法》). In March 2018, the State Administration for Market Regulation (the "**SAMR**") was formed as a new governmental agency to take over, among other things, the anti-monopoly enforcement functions from the relevant departments under the MOFCOM, the National Development and Reform Commission and the State Administration for Industry and Commerce, respectively. Since its inception, the SAMR has continued to strengthen its anti-monopoly enforcement and promulgated a series of regulations.

On February 7, 2021, the Anti-Monopoly Committee of the State Council promulgated the Guidelines for the Internet Platform Economy Sector (《關於平台經濟領域的反壟斷指南》) (the "**Guidelines**"), aiming to provide guidelines for supervising and prohibiting the monopolistic conducts in connection with the internet platform business operations and further elaborate on the factors for recognizing such monopolistic conducts in the internet platform industry. Such factors include, amongst other things, methods of an internet platform collecting, using the privacy information of the internet users may also be one of the factors to be considered for analyzing and recognizing the monopolistic conducts in the internet platform industry, e.g. (i) whether the relevant business operator compulsorily collects unnecessary user information may be considered to analyze whether there is a bundled sale or additional unreasonable trading condition, which is one of the behaviors constituting the abuse of dominant market position; (ii) based on the big data and algorithms, whether differentiated transaction prices or other transaction conditions are implemented for consumers with different payment ability, consumption preferences and usage habits, may be used to analyze whether there is a differentiated treatment, which is also one of the behaviors constituting abuse of dominant market position; and (iii) whether the relevant business operators are required to "choose one" among the internet platform and its competitive platforms may be considered to analyze whether such internet platform operator with dominant market position abuses its dominant market position and excludes or restricts market competitions.

As advised by the PRC Legal Advisors, we have not been subject to any regulatory actions or investigations in connection with anti-monopoly, and we do not expect that the Guidelines will have a material impact on our business based on the following reasons:

- We currently do not have a dominant position in the market that we operate. Pursuant to Section 19 of the PRC Anti-monopoly Law, a market participant that has more than 50% of the market share in a relevant market is presumed to have a dominant position in that market. According to iResearch, we, as the second largest online marketing service providers in China in terms of gross billing generated from online short video advertisements placed on online media platforms in 2020, have a market share of only 3.0% in China's online short video marketing market in 2020, which is far below the 50% threshold under Section 19 of the PRC Anti-monopoly Law.

- According to iResearch, China's online short video marketing market is highly fragmented and competitive, with the top five market players having an aggregate market share of approximately 17.1% in terms of gross billing generated from online short video advertisements placed on online media platforms in 2020. We believe such a status will likely create a fluid and dynamic competitive landscape rather than a mature market with a dominant participant.

In particular, the Guidelines also stipulates, among other things, that platform operators shall not use data to eliminate and restrict competition. As advised by our PRC Legal Advisors, our usage of data will not be materially and adversely affected by the Guidelines because we, as an online marketing service provider, collect data from online media platforms rather than generate raw data by ourselves. Meanwhile, we do not own such raw data and therefore are not able to exclude or restrict other platform operators from collecting and using the data available in the industry. Therefore, we believe our usage of data will not exclude or restrict other platform operators and cannot reasonably be expected to result in elimination or restriction of competition.

However, as the Guidelines was newly promulgated, it is uncertain to estimate its specific impact on our business, financial condition, results of operations and prospects. We cannot assure that our business operations comply with such regulations and authorities' requirements in all respects. If any non-compliance is raised by relevant authorities and determined against us, we may be subject to fines and other penalties. See "Risk Factors — Risks Relating to Our Business and Industry — We face uncertainties with respect to the interpretation and implementation of the Anti-Monopoly Guidelines for the Internet Platform Economy Sector."

Regulation and Policy Changes on Consumer Privacy Protection

In June 2021, the Cyberspace Administration of China ordered 129 apps in China, including the online short video and information feeds platforms of Supplier A, to halt and rectify their user data collection practices. The actions were aimed to intensify its scrutiny of leading tech companies ' data practices so as to as prohibit them for infringe personal information and privacy. Meanwhile, in April 2021, the Apple Company adopted

a new consumer privacy protection policy, requiring app platforms to get explicit permissions from users before tracking their activity across other apps or websites that the app platforms don't own and allowing iPhone users to opt out to be tracked on different apps when using their Apple devices.

Our Directors are of the view, which is concurred by the Sole Sponsor, that although such rectification measures and/or the policy changes are aimed to better protect consumer privacy against the abuse collection and use of personal information by app media platforms, such measures and/or policy changes are not expected to have any material adverse effect on the Group's business operation and financial performance, based on:

- The relevant rectification measures implemented by the Cyberspace Administration of China was mainly to regulate app platforms for the collection and use of the relevant data, particularly the data that may be related to personal information and/or privacy matters. Our Company, on the other hand, is an online marketing solutions provider instead of a online media or app platform operator. The Company mainly collects ad performance or relevant business data from online media platforms which are advertisement statistical analysis such as impressions, video views, click-throughs, conversion rates, cost per conversion, post-ad interaction events, etc. Such data and statistics are related to the performance of the advertisement itself that can be analyzed and provided separately when a advertisement is placed without involvement of any personal information that is related to any particular consumer profile. See "— Data Sources" for details of the data we collect. Our Directors believe that we can still obtain necessary information for our business and operation from the online media platforms;

- The Consumer Privacy Protection policy is targeted to rectify the user data collection practices and enhance of the protection of consumer privacy to promote substainable development. It does not ban the app platform operators from obtaining relevant data. Relevant data can still be collected and used as long as they comply with relevant requirements, such as user's permission and consent;

- To the understanding of our Directors, the new features on iPhone only require app platforms to get explicit permissions from users before tracking their activity across other apps or websites the app platforms doesn't own. These app platforms, on the other hand, can still rely on users' details and behaviours for customising digital advertising through their own app platforms, which will not have any material adverse impact to the Group's capability to collect business data from the online media platforms. As of the Latest Practicable Date, we did not encounter any difficulties in obtaining relevant performance data from our suppliers since the release of the Consumer Privacy Protection policy; and

- According to iResearch, such rectification measures and change of policies are implemented to further regulate and optimize the collection and use of the data in the market, which is expected to enhance the protection of consumer privacy and promote the sustainable development of online marketing market in the long run.

In the case that any of our online media platforms' business practice was materially affected due to the changing regulatory environment, such as policy changes on consumer privacy protection or requirements under the Guideline as mentioned above, our Directors believe that its market shares would be shared by other market players and we have taken and will continue to take measures to diversify our media partner bases and revenue streams.

Regulation Developments in Industry Verticals of Our Advertiser Customers

As of the Latest Practicable Date, we were not aware of any policy or regulatory change on the e-commerce industry that would have any material impact on the Company's business. In 2021, Chinese regulatory authorities have tightened the regulations in several industries. For example, in the education industry, the government mandates a transition to non-profit institutions for all the curriculum-based tutoring institutions by issuing the Guidelines to Ease the Burden of Excessive Homework and Off-campus Tutoring for Students Undergoing Compulsory Education (《關於進一步減輕義務教育階段學生作業負擔和校外培訓負擔的意見》). The online gaming industry is also faced with a strict restriction on the time slot in which the gaming services providers are allowed to provide services to juveniles.

Our Directors are of the view that such regulatory developments are not expected to have any material adverse effect on the Group's business operation and financial performance, primarily because (i) as confirmed by the PRC Legal Advisors, the relevant regulatory developments do not concern the industry the Company operates in, so they will not directly affect the Company's business; and (ii) although the advertising budgets and demand from some customers operating in industries to which the regulation developments do apply may be affected, our Directors are of the view, which is concurred by the Sole Sponsor, that the recent development in policies and regulations will not have any direct and material adverse effect to the online marketing solutions business as well as the financial performance, based on the following reasons:

- The regulatory developments are aimed to modernize governance in the relevant industries and further foster the sustainable growth of these industries, so in the long term these industries are expected to benefit from the regulatory developments. In addition, according to iResearch, there has not been a policy that would materially affect the size of advertising market in most industries based on historical experience and the recent policies released do not cause any material impact on the size of online marketing industry;

- The Company's online marketing solutions business involves a diversified customer base covering various industries and in the future, the Company will continue to discover new emerging business opportunities with the rapid development of China's online marketing industry. Based on our strengths and as demonstrated historically, we will continue to monitor the changes in the industries our advertiser customers locate and explore new customers so as to mitigate the impact of customers in any particular industry, due to regulation changes; and

- According to iResearch, the increases and decreases in the advertising budgets of advertisers from different industries primarily affect the contribution structure of the online marketing revenue and do not materially affect the overall size of the online marketing market, as (i) advertisers in the online marketing market come from a rich variety of industries, while the recent regulatory developments only affect some of these industries. The structure of the online marketing market routinely changes, and the recent regulatory developments are not material that will alter the overall projected market size and growth; (ii) the impact of regulatory developments on the advertising budgets of some industry players is indirect and often not strongly correlated. Regulatory developments may not lead to industry players' reduction in revenue and reduction in revenue may not lead to reduction in their advertising budgets (certain industry players may on the contrary increase their advertising expenditure in a drive to broaden their own customer base or broadcast their business transition in the wake of relevant regulatory developments); and (iii) even in the industries affected by regulatory developments, advertisers, in particular industry leaders, often operate a variety of business lines, where advertising spending in affected business lines may be moved to unaffected ones in the long run.

The management of the Company will from time to time assess the impacts of any tightening and changes of the regulatory environment in specific industries, and discuss with the operation, sales and marketing teams of the Group's focus to beware of any potential shift.

However, since the above-mentioned regulations and policies are newly implemented, it is still uncertain to assess their full and potential impacts to the business operation of the relevant enterprises in China. Any further material adverse change to the business operation of such enterprises brought by the change of regulatory measures on the relevant industries may still affect our business operation and financial performance as a result. See the section headed "Risk Factors — Our business is subject to complex and evolving laws and regulations. Many of these laws and regulations are relatively new and subject to changes and uncertain interpretation, and could result in claims, changes to our business practices, monetary penalties, increased cost of operations, or declines in user growth or engagement, or otherwise harm our business." for more details.

To comply with the rapidly evolving laws and regulations, we have a legal team in the Group to enforce our strict internal procedures, which include monitoring laws and regulations updated from time to time and conducting relevant researches and studies; monitoring notices, instructions and requirements issued by the regulatory authorities and communicating with relevant authorities to obtain further instructions when necessary; seeking external professional opinions on any new laws and regulations; from time to time reviewing our business contracts and discuss cases with our operation team for services provided, to comply with the relevant laws and regulations.

Recent Developments on Our Business and Financial Performance

Our Directors confirm that, up to the Latest Practicable Date, (i) there has been no material adverse change in our financial or trading position since April 30, 2021; and (ii) there has been no material adverse change in our business, the industry in which we operate and/or market or regulatory environment to which we are subject. During the four months ended August 31, 2021, our gross billing generated from online marketing solutions business had increased by 30.0% as compared to the corresponding period in 2020.

[REDACTED] STATISTICS

	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]	**Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]**
Market capitalization of our Shares upon completion of the **[REDACTED]**	HK$**[REDACTED]** million	HK$**[REDACTED]** million
Unaudited pro forma adjusted consolidated net tangible assets per Share[(1)]	HK$**[REDACTED]**	HK$**[REDACTED]**

Note:

(1) See "Appendix II — Unaudited Pro Forma Financial Information" for further details regarding the assumptions used and the calculations method.

[REDACTED] EXPENSES

Our **[REDACTED]** expenses mainly include **[REDACTED]** commissions, professional fees paid for services rendered in relation to the **[REDACTED]** and the **[REDACTED]**. The estimated total **[REDACTED]** expenses (based on the mid-point of our indicative **[REDACTED]** for the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised) for the **[REDACTED]** are approximately RMB**[REDACTED]** million, representing **[REDACTED]** of the gross proceeds (based on the mid-point of our indicative **[REDACTED]** range for the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised) of the **[REDACTED]**. The estimated total **[REDACTED]** expenses comprise (i) **[REDACTED]**-related expenses, including **[REDACTED]** commission and other expenses, of RMB**[REDACTED]** million; and (ii)

non-[**REDACTED**]-related expenses of RMB[**REDACTED**] million, including (a) fee paid and payable to legal advisers and the Reporting Accountant of RMB[**REDACTED**] million, and (b) other fees and expenses, including sponsor fees, of RMB[**REDACTED**] million. During the Track Record Period, we incurred [**REDACTED**] expenses of RMB[**REDACTED**] million, of which approximately RMB[**REDACTED**] million and RMB[**REDACTED**] million were charged to the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2020 and for four months ended April 30, 2021, and approximately RMB[**REDACTED**] million was recognized as prepayment in the consolidated balance sheet as of April 30, 2021 which will be charged against equity upon successful [**REDACTED**]. We expect to incur additional [**REDACTED**] expenses of approximately RMB[**REDACTED**] million, of which approximately RMB[**REDACTED**] million is expected to be charged to our consolidated statement of profit or loss and other comprehensive income and approximately RMB[**REDACTED**] million is expected to be recognized as a deduction in equity directly upon the [**REDACTED**]. Our Directors do not expect that such expenses will have a material adverse effect on our results of operations for the year ending December 31, 2021.

DIVIDENDS

We declared a total of dividends of RMB23.0 million and RMB22.0 million in 2019 and 2020, respectively. We also declared another total dividends of RMB40.0 million in February 2021 which will be settled by the cash generated from our operating activities prior to the [**REDACTED**]. Other than that, no dividends have been paid or declared by the Company since its incorporation, or by any of the subsidiaries of our Group during the Track Record Period. Our Directors confirm that all outstanding dividends shall be settled prior to the [**REDACTED**].

Subject to the Companies Act and our Articles of Association, through a general meeting, we may declare dividends, but no dividend may be declared unless out of either profits or share premium account and no dividend shall exceed the amount recommended by our Board. Any declaration of dividends will be at the absolute discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors that our Directors consider relevant. Our Board may also from time to time pay interim dividends as our Board believes to be justified by the profits of our Company, as well as special dividends on shares of any class of such amounts and on such dates as it deems fit. We cannot guarantee in what form dividends will be paid in the future.

USE OF PROCEEDS

We estimate that we will receive the net proceeds of the [**REDACTED**] of approximately HK$[**REDACTED**] million, assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the [**REDACTED**] range stated in this document), after deduction of [**REDACTED**] commissions and estimated expenses paid and payable by us in relation to the [**REDACTED**].

We intend to use the net proceeds of the **[REDACTED]** for the following purposes:

Percentage of Net Proceeds	Future Plans	Approximately HK$ in millions
[REDACTED]	To upgrade our U-Engine platform with a focus on R&D and utilization of AI capabilities and SaaS technology.	**[REDACTED]**
[REDACTED]	To explore business opportunities with our advertising customers who carry out e-commerce businesses on online short video platforms.	**[REDACTED]**
[REDACTED]	To enhance our content production capabilities with AI technologies enabling us to produce and optimize massive online marketing solution more efficiently and effectively.	**[REDACTED]**
[REDACTED]	To expand our business by enhancing our relationships with existing media partners and enlarging our advertiser customers and media partner bases.	**[REDACTED]**
[REDACTED]	To pursue strategic investments and acquisitions of business opportunities that can strengthen our local online marketing capabilities and that have synergy with us.	**[REDACTED]**
[REDACTED]	Working capital and general corporate purposes.	**[REDACTED]**

See "Future Plans and Use of Proceeds" for details. To the extent that the net proceeds of the **[REDACTED]** are not immediately used for the purposes described above, and to the extent permitted by the relevant laws and regulations, we only intend to place such proceeds in short-term interest-bearing deposits with licensed banks or authorized financial institutions in Hong Kong or China.

In this document, unless the context otherwise requires, the following expressions shall have the following meanings.

"360 Search"	Beijing Qihoo Technology Co., Ltd (北京奇虎科技有限公司), a leading Chinese online search engine provider based in Beijing, founded in 2007 and listed at New York Stock Exchange in 2011
"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
"Accountant's Report"	the accountant's report set out in Appendix I to this document
"Alibaba"	Alibaba Group Holding Limited (阿里巴巴集團), a leading Chinese technology company specializing in e-commerce, retail, internet and technology development based in Hangzhou, founded in 1999 and listed at New York Stock Exchange in 2014 and at Hong Kong Stock Exchange in 2019
"Aoji Education"	Aoji Education Development (China) Limited (澳際教育發展(中國)有限公司) (formerly known as Richjoin Investments Limited (富滙投資有限公司)), a company incorporated in the BVI with limited liability on June 18, 2007, which is wholly-owned by Mr. Zong Liping (宗立平先生), an Independent Third Party. Aoji is one of the Pre-[**REDACTED**] Investors
"Articles" or "Articles of Association"	the amended and restated articles of association of our Company adopted on October 8, 2021, which shall become effective upon [**REDACTED**], as amended, supplemented or otherwise modified from time to time, a summary of which is set out in "Summary of the Constitution of the Company and Cayman Islands Company Law — 2. Articles of Association" in Appendix III to this document
"Audit Committee"	the audit committee of the Board

"Aura"	AURA INVESTMENT HOLDINGS LIMITED, being (a) a company incorporated in the BVI with limited liability on February 3, 2004, which is owned by Supreme Development as to 95% and by Mr. Xiong as to 5%; and (b) one of our Controlling Shareholders.
"Beijing Juliang"	Beijing Juliang Tongchuang Technology Co., Ltd* (北京矩量同創科技有限公司), being a company established in the PRC on October 20, 2020 and our indirect wholly-owned subsidiary
"Board"	our board of Directors
"Business Day" or "business day"	a day which is not a Saturday, a Sunday or a public holiday in Hong Kong and on which banks in Hong Kong are generally open for business
"ByteDance"	ByteDance Ltd. (字節跳動有限公司), a leading Chinese internet technology services provider with the largest online short video platform in China based in Beijing, founded in 2012
	[REDACTED]
"Cayman Islands Companies Act" or "Companies Act"	the Companies Act (as revised) of the Cayman Islands, as amended, modified and supplemented from time to time
	[REDACTED]

[**REDACTED**]

"China", "the PRC" or "the People's Republic of China"	the People's Republic of China, and for the purpose of this document only, except where the context requires otherwise, excluding Hong Kong, Macau and Taiwan
"Chongqing Juqing"	Chongqing Juqing Internet Technology Co., Ltd.* (重慶矩擎網絡科技有限公司), being a company established in the PRC on March 10, 2021 and our indirect wholly-owned subsidiary
"Clever Gain"	CLEVER GAIN MANAGEMENT LIMITED (嘉顧管理有限公司), a company incorporated in the BVI with limited liability on September 26, 2011, which is beneficially owned by a family trust set up by Mr. Yang Zhifeng (楊智峰先生), an Independent Third Party, for himself and his family as beneficiaries. Clever Gain is one of the Pre-[**REDACTED**] Investors and one of the [**REDACTED**]
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified 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, supplemented or otherwise modified from time to time
"Company"	UJU HOLDING LIMITED, being an exempted company incorporated in the Cayman Islands with limited liability on September 21, 2020
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules

"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules and, for the purpose of this document, refers to Mr. Ma, Supreme Development, Vast Business, Aura or, where the context so requires, any one of them. See the section headed "History, Development and Reorganization" of this document for the shareholding of each of our Controlling Shareholders in our Company immediately following completion of the Reorganization, the [**REDACTED**] and the [**REDACTED**] (excluding any Share which may be issued pursuant to the exercise of the [**REDACTED**] and any option which may be granted under the Share Option Scheme)
"core connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Deed of Indemnity"	the deed of indemnity dated October 8, 2021 entered into by our Controlling Shareholders in favor of our Company (for itself and as trustee for each of the subsidiaries (i.e. Uju Hong Kong, Uju Beijing, Qingdao Uju, Hainan Uji, Beijing Juliang, Shanghai Juqing and Chongqing Juqing)) to provide certain indemnities, particulars of which are set out in the paragraph headed "Statutory and General Information — Other Information — 14. Estate duty, tax and other indemnities" in Appendix IV to this document
"Deed of Non-competition"	the deed of non-competition dated October 8, 2021 entered into by our Controlling Shareholders in favor of our Company to provide certain undertakings, particulars of which are set out in the paragraph headed "Relationship with Controlling Shareholders — Deed of Non-competition" in this document
"Director(s)"	Director(s) of our Company
"EIT"	enterprise income tax in the PRC

"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the Government of Hong Kong
"Financial Adviser"	SBI China Capital Hong Kong Securities Limited, a corporation registered under the SFO permitted to carry on Type 6 (advising on corporate finance) regulated activities under the SFO
"First Pre-[**REDACTED**] Investment"	investment by Mr. Xiong in our Company pursuant to the First Pre-[**REDACTED**] Investment Agreement as further described in the section headed "History, Development and Reorganization — Pre-[**REDACTED**] Investments" in this document
"First Pre-[**REDACTED**] Investment Agreement"	the written confirmation agreement entered into between Mr. Ma and Mr. Xiong dated March 31, 2021, recording and confirming their verbal agreement regarding the First Pre-[**REDACTED**] Investment on January 30, 2020, principal terms of which are described in the section headed "History, development and Reorganization — Pre-[**REDACTED**] Investments" in this document
"Gaorong Partners Fund V-A"	Gaorong Partners Fund V-A, L.P., an exempted limited partnership established in the Cayman Islands on August 21, 2020, with one general partner and 16 limited partners and is controlled by its general partner, namely Gaorong Partners V Ltd. Gaorong Partners V Ltd. is owned and controlled by Mr. Zhang Zhen (張震先生), Mr. Gao Xiang (高翔先生) and Mr. Yue Bin (岳斌先生), all are Independent Third Parties. Gaorong Partners Fund V-A is one of the Pre-[**REDACTED**] Investors
"Gaorong Partners Fund V"	Gaorong Partners Fund V, L.P., an exempted limited partnership established in the Cayman Islands on August 21, 2020, with one general partner and 71 limited partners and is controlled by its general partner, namely Gaorong Partners V Ltd. Gaorong Partners V Ltd. is owned and controlled by Mr. Zhang Zhen (張震先生), Mr. Gao Xiang (高翔先生) and Mr. Yue Bin (岳斌先生), all are Independent Third Parties. Gaorong Partners Fund V is one of the Pre-[**REDACTED**] Investors
"GDP"	gross domestic product

[**REDACTED**]

"Group" or "our Group" or "we" or "us"	our Company and its subsidiaries at the relevant time or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at that time
"Guangzhou Uju"	Guangzhou Uju Information Technology Co., Ltd* (廣州市優矩信息科技有限公司), being a company established in the PRC on October 20, 2015 which is owned as 51.0% by Mr. Ma, 19.0% by Zhuhai Fengju LLP, 15.0% by Zhuhai Jusheng LLP and 15.0% by Zhuhai Miku LLP, all of which are controlled by Mr. Ma
"Hainan Uju"	Hainan Uju Technology Co., Ltd* (海南優矩科技有限公司), being a company established in the PRC on April 17, 2020 and our indirect wholly-owned subsidiary
"Hainan Youde LLP"	Hainan Youde Juxing Technology Partnership Enterprise (LLP)* (海南優德矩行科技合夥企業(有限合夥)), a limited partnership established in the PRC on July 2, 2020, which is controlled by Mr. Ma, the general partner of Hainan Youde LLP, who has the sole power to manage Hainan Youde LLP
"HKD" or "HK$" or "HK dollar(s)"	Hong Kong dollars, the lawful currency of Hong Kong

[REDACTED]

"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"Hong Kong", "HK" or "HKSAR"	the Hong Kong Special Administrative Regions of the PRC

[**REDACTED**]

"IAS"	International Accounting Standards
"IFRSs"	International Financial Reporting Standards

"Independent Third Party(ies)"	individual(s) or company(ies) who or which, to the best of our Directors' knowledge, information and belief having made all reasonable enquires is/are not our connected persons as defined under the Listing Rules

[REDACTED]

"iResearch"	Shanghai iResearch Co., Ltd., an independent market research and consulting company
"iResearch Report"	the industry report issued by iResearch for the purpose of this document

[REDACTED]

[**REDACTED**]

"Kernel"	Kernel Development Limited, being (a) a company incorporated in the BVI with limited ability on August 26, 2020; and (b) one of the Vast Business Non-Voting Shareholders, which is owned as to approximately 27.8% by Mr. Sun Liancai (孫連才先生), 27.8% by Mr. Zhang Wenyue (張文岳先生), 13.9% by Ms. Li Xiaohong (李小紅女士), 13.9% by Mr. Li Zhao (李釗先生), 13.9% by Mr. Song Wende (宋文德先生), 1.4% by Ms. Li Meiyi (李美一女士) and 1.4% by Mr. Liu Jingyu (劉靖宇先生)
"Kernel Employee Shareholders"	Mr. Sun Liancai (孫連才先生), Mr. Zhang Wenyue (張文岳先生), Mr. Liu Jingyu (劉靖宇先生), Ms. Li Xiaohong (李小紅女士), Mr. Li Zhao (李釗先生), Mr. Song Wende (宋文德先生) and Ms. Li Meiyi (李美一女士), all of whom were employees of our Group at the material time
"Kuaishou"	Kuaishou Technology（快手科技）, a leading online short video marketing solutions provider and online content services provider in China and listed at Hong Kong Stock Exchange in 2021
"Latest Practicable Date"	October 12, 2021, being the latest practicable date for the purpose of ascertaining certain information in this document prior to its publication

[**REDACTED**]

"Listing Committee"	the Listing Committee of the Stock Exchange

[**REDACTED**]

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Macau"	the Macau Special Administrative Region of the PRC

"Main Board"	the main board of the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"Market Harvest"	MARKET HARVEST LIMITED, a company incorporated in the BVI with limited liability on June 15, 2010, which is wholly-owned by Ms. Liu Yan (劉妍女士), an Independent Third Party. Market Harvest is one of the Pre-[**REDACTED**] Investors
"Matec"	MATEC HOLDING LIMITED, being (a) a company incorporated in the BVI with limited liability on August 26, 2020; and (b) one of the Vast Business Non-Voting Shareholders, which is owned as to approximately 58.8% by Mr. Peng, 23.6% by Mr. Xie Song (謝嵩先生), 8.8% by Ms. Luo and 8.8% by Ms. Meng Ran (孟冉女士)
"Matec Employee Shareholders"	Mr. Peng, Mr. Xie Song (謝嵩先生), Ms. Luo and Ms. Meng Ran (孟冉女士), all of whom were employees of our Group at the material time
"Memorandum" or "Memorandum of Association"	the amended and restated memorandum of association of our Company adopted on October 8, 2021, which shall become effective upon [**REDACTED**] as amended from time to time, a summary of which is set out in "Summary of the Constitution of the Company and Cayman Islands Company Law — 1. Memorandum of Association" in Appendix III to this document
"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"	Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"Mr. Ma"	Mr. Ma Xiaohui (馬曉輝先生), an executive Director, the chairman of our Board and one of our Controlling Shareholders
"Mr. Peng"	Mr. Peng Liang (彭亮先生), an executive Director, the chief executive officer of our Group and one of the Matec Employee Shareholders
"Mr. Xiong"	Mr. Xiong Xiangdong (熊向東先生), one of the Pre-[**REDACTED**] Investors

"Ms. Luo"	Ms. Luo Xiaomei (羅小妹女士), an executive Director, the chief financial officer of our Group and one of the Matec Employee Shareholders
"NDRC"	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Nomination Committee"	the nomination committee of the Board

[**REDACTED**]

"PBOC"	The People's Bank of China (中國人民銀行), the central bank of the PRC

"PRC Legal Advisors"	Global Law Office, our legal advisors as to the PRC laws
"Pre-[**REDACTED**] Investment(s)"	investments made by the Pre-[**REDACTED**] Investors, the details of which are described in the paragraph headed "History, Development and Reorganization – Pre-[**REDACTED**] Investments" in this document
"Pre-[**REDACTED**] Investment Agreements"	the First Pre-[**REDACTED**] Investment Agreement and the share subscription agreements entered into between our Company, Supreme Development, Vast Business, Aura and each of Aoji Education, Clever Gain, Market Harvest, Sky Infinity, Week8, Gaorong Partners Fund V-A and Gaorong Partners Fund V each dated March 5, 2021
"Pre-[**REDACTED**] Investors"	Mr. Xiong, Aoji Education, Clever Gain, Market Harvest, Sky Infinity, Week8, Gaorong Partners Fund V-A and Gaorong Partners Fund V

[**REDACTED**]

"Qingdao Uju"	Qingdao Uju Technology Co., Ltd* (青島優矩科技有限公司), being a company established in the PRC on December 20, 2019 and our indirect wholly-owned subsidiary
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration Committee"	the remuneration committee of the Board

"Reorganization"	the pre-[**REDACTED**] reorganization of our Group, details of which are described under "History, Development and Reorganization — Reorganization" in this document
"RMB" or "Renminbi"	the lawful currency of the PRC
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
"Shanghai Juqing"	Shanghai Juqing Technology Co., Ltd.* (上海矩擎科技有限公司), being a company established in the PRC on November 13, 2020 and our indirect wholly-owned subsidiary
"Shanghai Stock Exchange"	the Shanghai Stock Exchange (上海證券交易所)
"Share Option Scheme"	the share option scheme conditionally adopted by our Company, further details of which are described under "Statutory and General Information — Other Information — 13. Share Option Scheme" in Appendix IV to this document
"Share(s)"	share(s) in the share capital of our Company with a par value of US$1.00 each before Share Subdivision and with a par value of US$0.01 after Share Subdivision
"Share Subdivision"	the subdivision of each issued and unissued share of par value US1.00 of our Company into 100 shares of par value US$0.01 each effected on October 8, 2021, the details of which are described in the paragraph headed "Statutory and General Information — Further Information about our Company — 3. Resolutions in writing of our Shareholders passed on October 8, 2021" of Appendix IV to this document
"Shareholder(s)"	holder(s) of our Share(s)

"Sky Infinity"	Sky Infinity Holdings Limited (藍天控股有限公司), a company incorporated in the BVI with limited liability on July 27, 2007, which is beneficially owned by a family trust set up by Mr. Hoi Wa Fong (許華芳先生), an Independent Third Party, for himself and his family as beneficiaries. Sky Infinity is one of the Pre-[**REDACTED**] Investors
"Sogou Search"	Sogou, Inc. (搜狗搜索), a leading Chinese online search engine provider based in Beijing founded in 2010 and listed at New York Stock Exchange in 2017
"Sole Sponsor" or "CMBC International"	CMBC International Capital Limited, a corporation registered under the SFO permitted to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the sole sponsor of the [**REDACTED**]
"STA"	State Taxation Administration of the PRC (中華人民共和國國家税務總局)
	[**REDACTED**]
"State Administration of Foreign Exchange" or "SAFE"	The State Administration of Foreign Exchange of the PRC (國家外匯管理局), the PRC governmental agency responsible for matters relating to foreign exchange administration, including local branches, when applicable
	[**REDACTED**]
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed to it under the Listing Rules
"Substantial Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and, for the purpose of this document, refers to the entities disclosed in the section headed "Substantial Shareholders" of this document or, where the context so requires, any one of them

"Supreme Development"	Supreme Development Limited, being (a) a company incorporated in the BVI with limited liability on August 26, 2020; and (b) one of our Controlling Shareholders, which is wholly-owned by Mr. Ma
"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 years ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2021
"U.S. Securities Act"	the U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
"Uju Beijing"	Uju Interactive (Beijing) Technology Co., Ltd.* (優矩互動(北京)科技有限公司), being a company established in the PRC on November 23, 2017 and our indirect wholly-owned subsidiary
"Uju Hong Kong"	Uju Hongkong Limited (優矩(香港)有限公司), being a company incorporated in Hong Kong on November 2, 2020 and our direct wholly-owned subsidiary

[REDACTED]

"United States", "U.S." or "US"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"Vast Business"	Vast Business (BVI) Global Limited, being (a) a company incorporated in the BVI with limited liability on August 31, 2020; and (b) one of our Controlling Shareholders
"Vast Business Non-Voting Shareholders"	Matec and Kernel, holders of non-voting participating Shares of Vast Business which do not have voting rights at the general meeting of Vast Business
"VAT"	value-added tax

"Week8"	Week8 Holdings (Singapore) Pte. Ltd., a company incorporated in Singapore with limited liability on May 14, 2019, which is an indirect wholly-owned subsidiary of Tian Ge Interactive Holdings Limited, a company whose shares are listed on the Main Board (stock code: 1980). Week8 is an Independent Third Party and one of the Pre-[**REDACTED**] Investors
"Winston"	Winston Holdings International Limited, being a company incorporated in the BVI with limited liability on July 4, 2006, which is wholly-owned by Mr. Xiong
"Zhuhai Fengju LLP"	Zhuhai Fengju Investment Partnership Enterprise (LLP)* (珠海豐矩投資合夥企業(有限合夥)), a limited partnership established in the PRC on July 26, 2017, which is controlled by Mr. Ma, the general partner of Zhuhai Fengju LLP, who has the sole power to manage Zhuhai Fengju LLP
"Zhuhai Jusheng LLP"	Zhuhai Jusheng Investment Partnership Enterprise (LLP)* (珠海聚勝投資合夥企業(有限合夥)), a limited partnership established in the PRC on July 26, 2017, which is controlled by Mr. Ma, the general partner of Zhuhai Jusheng LLP, who has the sole power to manage Zhuhai Jusheng LLP
"Zhuhai Miku LLP"	Zhuhai Miku Investment Partnership Enterprise (LLP)* (珠海米庫投資合夥企業(有限合夥)), a limited partnership established in the PRC on July 26, 2017, which is controlled by Mr. Ma, the general partner of Zhuhai Miku LLP, who has the sole power to manage Zhuhai Miku LLP

Note:

* The English names of these entities are used for identification purpose only.

GLOSSARY OF TECHNICAL TERMS

This glossary contains explanations of certain technical terms used in this document. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

"ad creative"	the specific rendering of the ad content
"ad inventory"	traffic available on online media for advertising
"ad performance"	advertising performance, the outcome of advertisements, such as downloads, installs, clicks or conversion rate of target consumers
"advertiser"	any persons, companies, organizations which advertise their brands, products and services through placing advertisements
"advertising agency"	a business dedicated to creating, planning, and handling advertising and sometimes other forms of promotion and marketing for its clients
"advertising campaign"	a set of advertisements that revolve around a single message and are intended to achieve a particular goal
"advertising space"	the space on websites or mobile apps available for advertisements, the price of which varies due to the specific location
"AI"	artificial intelligence
"API"	application programming interface, a set of clearly defined methods of communication between various software components
"APP"	application software designed to run on smartphones and other mobile devices
"AR"	augmented reality
"big data analytics"	the use of advanced analytic techniques against very large, diverse data sets to uncover hidden patterns, unknown correlations, market trends, customer preferences and other useful information that can help organizations make more-informed business decisions
"CAGR"	compound annual growth rate
"click-through"	the action that internet users click on the advertisements

GLOSSARY OF TECHNICAL TERMS

"click-through rate"	the ratio of internet users who click on the advertisement to the number of total mobile device users who view the advertisement
"cloud-based"	applications, services or resources made available to users on demand via the internet from a cloud computing provider's servers with access to shared pools of configurable resources
"CPC"	cost per click, a pricing model where advertising is paid on the basis of each click of the advertisement
"CPT"	cost per time, a time-based pricing model where advertising is paid on a fixed price for a given period
"DAU"	daily active user
"device ID"	a unique, anonymized identifier made up of a combination of numbers and letters that is associated with a single mobile device
"e-commerce"	electronic commerce, a transaction of buying or selling online which draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, internet marketing, online transaction processing, electronic data interchange, inventory management systems, and automated data collection systems
"GB"	gigabytes, a unit of information used to quantify computer memory or storage capacity
"gross billing"	the total monetary value we charge advertiser customers for our services
"industry vertical"	a grouping of customers by industry to offer products and services that meet industry specific needs
"impression(s)"	a metric used to quantify the number of digital views or engagements of a piece of content, usually an advertisement, digital post, or a web page
"IP"	intellectual property

"Key account advertisers"	advertiser customers with larger overall marketing budgets, more diversified marketing needs and higher requirements on services scope, media source and services capabilities of marketing services providers. Key account advertisers also generally have a stable and longer marketing needs, enabling them to engage and cooperate with more marketing solutions providers
"KOLs"	key opinion leaders
"KPI"	key performance indicator, the indicator that reflects the effectiveness and performance of the advertising campaign such as the number of new installations, downloads, registrations or sales
"MAU"	monthly average user
"MCN"	multi-channel network
"online short video platform"	a platform focusing on facilitating creation and sharing of online short-form videos, which range from seconds to minutes in duration and easily shared and accessed across the mobile internet
"SaaS"	software as a service, a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted
"tag"	a keyword describing the characteristic assigned such as to audience or app
"user traffic"	the flow of internet users
"user traffic consumption"	advertising expenses incurred based on the performance of advertisements
"visitor"	a person who visits a site or mobile app or web page at least once within the certain period
"4A advertising companies"	comprehensive multinational advertising agencies that are members of the American Association of Advertising Agencies

This document includes forward-looking statements. All statements other than statements of historical facts contained in this document, including, without limitation, those regarding our future financial position, our strategy, plans, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual performance or achievements to differ materially from those in the forward-looking statements include, among other things, the following:

- general political and economic conditions, including those related to the PRC;
- our ability to successfully implement our business plans and strategies;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- our business operations and prospects;
- our capital expenditure plans;
- the actions and developments of our competitors;
- our financial condition and performance;
- capital market developments;
- our dividend policy;
- any changes in the laws, rules and regulations of the central and local governments in the PRC and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business and our business plans; and
- various business opportunities that we may pursue.

Additional factors that could cause actual performance or achievements to differ materially include, but are not limited to, those discussed in "Risk Factors" and elsewhere in this document. We caution you not to place undue reliance on these forward-looking statements, which reflect our management's view only as of the date of this document. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this document might not occur. All forward-looking statements contained in this document are qualified by reference to the cautionary statements set out in this section.

An investment in our Shares involves various risks. You should carefully consider all the information in this document and in particular the risks and uncertainties described below before making an investment in our Shares.

The occurrence of any of the following events could materially and adversely affect our business performance, financial condition, results of operations or prospects. If any of these events occur the **[REDACTED]** *price of our Shares could decline and you may lose all or part of your investment. You should seek professional advice from your relevant advisers regarding your prospective investment in the context of your particular circumstances.*

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We rely on Supplier A's media platforms to acquire user traffic for our advertiser customers during the Track Record Period. If we fail to maintain our business relationship with Supplier A or if Supplier A loses its leading market position or popularity, our business, financial condition and results of operations could be materially and adversely affected.

During the Track Record Period, we acquired user traffic from and placed our online short video marketing solutions on Supplier A's media platforms. We commenced our business cooperation with Supplier A since we started our online short video marketing solutions business. For the years ended December 31, 2018, 2019, 2020 and the four months ended April 30, 2021, our total transaction costs from Supplier A was RMB559.7 million, RMB2,351.7 million, RMB4,284.9 million and RMB1,449.8 million, respectively, accounting for 53.3%, 73.2%, 71.0% and 69.3%, respectively, of our total cost of services for the same periods. Due to Supplier A's leading positions in its industries and popularity among audiences, on one hand, we rely on Supplier A to acquire potential paying customers for our advertiser customers in a cost-effective way, and on the other hand, we are capable of attracting more advertiser customers by leveraging Supplier A's branding. We have benefited significantly from and expect to continue doing so from Supplier A's massive audience base and strong brand, both of which provide us with credibility and a broad marketing reach. Further, in July 2021, we entered into a cooperation partner agreement with a subsidiary of Supplier A and serve as one of its core cooperation partner to distribute and provide related customer services for its internet-based, interconnected enterprise software platform combining a multitude of online collaboration tools. To the extent we fail to maintain our business relationship with Supplier A on comparable contract terms or at all, we will have to source new our online media platform partners for our online marketing solutions business, which could materially and adversely affect our business, financial condition and results of operations.

In the event Supplier A loses its leading market position, or becomes less attractive to audiences, it may lead to a significant decrease in its audience base and, in turn, affect the reach and popularity of our online short video marketing solutions, and further affect their attractiveness to advertiser customers. As a result, we may fail to retain existing advertiser customers or attract new ones and our business and results of operations could be materially and adversely affected.

Additionally, any negative publicity associated with Supplier A, or any negative development with respect to Supplier A's market position, financial condition, maintenance of its platform infrastructure or compliance with legal or regulatory requirements in the PRC, in particular, the promulgation of the Guidelines for the Internet Platform Economy Sector (《關於平台經濟領域的反壟斷指南》) by the Anti-Monopoly Committee of the State Council and the anti-monopoly administration against internet platforms like Supplier A thereunder, would have an adverse impact on the attractiveness of its platforms and effectiveness of our online marketing campaigns, which in turn would materially and adversely affect our reputation, business and results of operations.

Furthermore, we also rely on Supplier A's platforms to collect online short video advertisements performance data to analyze and develop our own data graphs. If we fail to collect ad performance data from Supplier A, our ability to optimize online marketing campaign performance in a cost-effective way would be harmed, which in turn could materially and adversely affect our reputation, business and results of operations.

We have recorded decreasing gross profit margins during the Track Record Period.

We have recorded decreasing gross profit margins for our online marketing solutions during the Track Record Period. For the years ended December 31, 2018, 2019 and 2020, our gross profit margin was 9.2%, 6.9% and 5.1%, respectively. Our decreasing gross profit margin was primarily as a result of the increase in the traffic acquisition costs for purchasing user traffic from top online media platforms. The increase in the traffic acquisition costs was primarily attributable to the reduction of rebates granted to us by certain online media platforms, in particular, the online short video platforms, as a result of their increasing bargaining power in line with their rapid development during the Track Record Period, in particular, for the period from 2018 to 2020 where the online short video marketing market experienced a significant growth at a CAGR of 147.3%. The market is expected to further grow at a comparatively lower CAGR of 30.7% from 2020 to 2025.

We cannot assure you that our gross profit margin will increase in the future. There can be no assurance that the online media platforms will increase their rebates granted to the online marketing solutions providers, and thus we cannot guarantee that the traffic acquisition costs will be lowered and remain stable in the future. In the event that the costs do increase in the future, we cannot assure you that we can transfer the increase to our customers through pricing strategy. In addition, our gross profit margin for the online marketing solutions business may decline to a material extent for other reasons, including decreasing advertiser customers' spending, increasing competition, and changes in government policies or general economic conditions which are, to a large extent, beyond our control. Accordingly, we cannot guarantee that our gross profit margins will not further decrease from time to time. If there is any further decline in our gross profit margins in the future or if we fail to sustain the relatively high gross profit margin, our profitability and financial condition may be adversely affected.

We have a limited operating history and are subject to risks and uncertainties associated with operating in a rapidly developing and evolving industry, and our rapid historical growth may not be indicative of our future performance.

We have experienced rapid growth since we commenced our online short video marketing business in 2018. During the Track Record Period, our revenue increased from RMB1,156.3 million in 2018 to RMB3,450.9 million in 2019, and further to RMB6,360.7 million in 2020. Our revenue increased from RMB1,441.3 million for the four months ended April 30, 2020 to RMB2,214.2 million for the four months ended April 30, 2021. Our profit for the year increased from RMB50.1 million in 2018 to RMB81.9 million in 2019, and further to RMB133.2 million in 2020. Our profit for the period increased from RMB12.6 million for the four months ended April 30, 2020 to RMB68.6 million for the four months ended April 30, 2021. We expect that we will continue to expand as we grow our advertiser customer and media partner supplier bases and explore new market opportunities. However, due to our relatively short operating history, our historical growth rates may not be indicative of our future performance. As a fast-growing company, we may encounter, among others, risks and uncertainties regarding our abilities to:

- retain, expand and attract existing and new advertiser customers and media partners, addressing their increasing and evolving demands and requirements for online short video marketing solutions;
- develop and launch high-quality online short video marketing solutions for advertiser customers and media partners;
- maintain and strengthen our competitive edge in high-quality, customized and technology-empowered online short video production capabilities;
- maintain a reliable, secure, high-performance and scalable technology infrastructure compatible to our growing business;
- strengthen our technology-based efficiency and efficiency content production capabilities through U-Engine platform and keep up with the technological developments or new business models of the rapidly evolving online marketing industry;
- to compete effectively with our competitors in the online marketing industry;
- attract and retain qualified and skilled talents; and
- understand and adapt to the changing regulatory environment.

You should consider our business and prospects in light of the risks and uncertainties that we face as a fast-growing company operating in a rapidly developing and evolving market. If we fail to successfully address any of the foregoing risks and uncertainties, our business, results of operations and financial condition may be materially and adversely affected. In addition, our growth may slow down, and our revenues may decline due to a number of factors beyond our control, including increasing competition, the emergence of alternative business models, unfavorable regulatory changes and a global economic slowdown. Therefore, we cannot assure you that we will grow at the same rate as we had in the past. If our growth rate declines, investors' perceptions of our business and prospects may be materially and adversely affected, which may result in a substantial decline in the price of our Shares.

Our business is subject to complex and evolving laws and regulations. Many of these laws and regulations are relatively new and subject to changes and uncertain interpretation, and could result in claims, changes to our business practices, monetary penalties, increased cost of operations, or declines in user growth or engagement, or otherwise harm our business.

The online marketing industry in which we operate in is relatively highly regulated and we are subject to a variety of laws and regulations that involve matters vital to our business, including, among others, data security and privacy, content, intellectual property, advertising, marketing, distribution, electronic contracts and other communications, telecommunications, product liability and taxation. The introduction of new services, or other actions that we may take to expand or diversify our businesses may subject us to additional laws, regulations, or other government scrutiny. Additionally, the recent implementation of regulations and policies by regulatory authorities and/or leading mobile device manufacturers to better protect the consumer privacy may also restrict the online media platforms' capabilities to collect user's details and behaviours on their app platforms. This may affect the business of the online media platforms and thus materially and adversely affect our business and financial performance and our ability to collect ad performance data from these online media platforms to optimize our online marketing solutions indirectly. Also, the recent implementation of regulations and policies by regulatory authorities on various industries may also affect the business of our advertiser customers and their advertising needs, and further affect our ability to generate profits from the customers in these industries. Examples of such regulations and policies include Notice on the Illegal Collection and Use of Personal Information by 129 Apps Such As 'Keep' (《關於Keep等129款App違法違規收集使用個人信息情況的通報》) issued by the Cyberspace Administration of China.

These laws and regulations are constantly evolving and can be subject to significant changes. As a result, the application, interpretation, and enforcement of these laws and regulations are often uncertain, particularly in the rapidly evolving industries in which we operate, and may be interpreted and applied inconsistently. There are also currently several proposals pending before legislative and regulatory bodies that could impose new obligations in areas affecting our business.

These laws and regulations, as well as any associated inquiries or investigations or any other governmental actions, may be costly to comply with and may result in negative publicity, increase our operating costs, require significant management time and attention, and subject us to remedies that may harm our business, including fines or demands or orders that we modify or cease existing business practices.

The online short video marketing industry in which we operate is highly competitive. If we fail to compete effectively against our competitors, we could lose advertiser customers and media partners, and our revenue may decline.

As demands for online short video marketing services continue to increase, we expect new competitors to enter the market and existing competitors to allocate additional resources to the market. As a result, we expect competitions in the online marketing industry, especially online short video marketing market, to intensify. Our competitors primarily include other online short video marketing solutions providers. We also compete for advertisers' overall marketing spending with direct marketing, print advertising companies and traditional media such as television, radio and cable companies. Our ability to compete successfully depends on many factors, including price, return on advertising spending, availability of quality ad inventories, the effectiveness of technologies and the quality of customer services. If these factors are unfavorable to us, we may not be able to compete effectively or maintain our market position.

Certain of our existing and future competitors may have longer operating histories, broader reach of advertiser customers and media partners and significantly greater financial, technical and marketing resources than we do. These competitors may engage in more extensive research and development and sales and marketing efforts than we can and develop or promote services that are similar to or better than ours. New and increased competition is likely to result in reduced price and margin or a loss of our market leading position, any of which could cause us to lose advertiser customers or media partners revenue. Occurrence of any of the above events may materially and adversely affect our business, results of operations and financial condition.

If we fail to retain the existing advertiser customers and media partners, deepen or expand our relationships with the advertiser customers and media partners, or attract new advertiser customers and media partners, our financial condition, results of operations and prospects may be materially and adversely affected.

Sound and sustainable relationships with our advertiser customers and media partners are crucial to our business operation and future development. In order to retain and attract new advertiser customers, we need to continue to provide increasingly quality online short video marketing services that maximize our customers' return on advertising investment and meet their pre-determined KPIs. In order to retain and attract new media partners who provide us with ad inventories, we need to continue to improve the monetization efficiency for such online media platforms.

We cannot assure you that we will successfully meet the KPIs for each online short video marketing campaign, retain the existing advertiser customers, deepen or expand our relationships with our existing advertiser customers or attract new advertiser customers in the future. If our advertiser customers determine that their expenditures on our online marketing solutions do not generate satisfactory returns, they may reduce their advertising budgets or terminate advertising arrangements with us as our advertiser customers are typically not bound by long-term contracts. Failure to retain existing advertiser customers or attract new advertiser customers may materially and adversely affect our business, financial condition, results of operations and development prospects.

In addition, our success also depends on our ability to retain the existing media partners, deepen or expand our relationships with our media partners and attract new media partners in the future. If our media partners are no longer satisfied with the monetization efficiency generated through us, they may reduce or discontinue their cooperation with us and we would lose a portion or all of the ad inventories and user traffic through which we can deliver online short video marketing solutions for our advertiser customers, as our media partners are typically not bound by long-term contracts. Media partners control the supply of ad inventories and user traffic and their processes may not always work in our favor. For example, online media platforms may place restrictions on the use of their ad inventories or user traffic, including prohibiting the placement of advertisements of specific advertisers, such as their competitors. In the event that we lose media partners or access to their ad inventories or user traffic, we may not be able to serve our advertiser customers in a timely manner or at all, and may incur significant costs in finding new media partners for ad inventories and user traffic, which may materially and adversely affect our business, financial condition, results of operations and prospects.

If online media platforms transact with advertisers directly, we may be exposed to the risk of disintermediation.

As an online marketing solutions provider, we help our advertiser customers acquire user traffic from our media partners to market their products or services. We mainly provide online short video marketing solutions to advertiser customers to achieve better marketing effectiveness; while our media partners prefer to monetize their user traffic only rather than generate revenue from the provision of value-added services. Although as of the Latest Practicable Date, we were not aware that any of our major suppliers, including Supplier A, have taken measures to establish its own content creation team which enables it to transact directly with the advertisers, there may be a risk that our online media platform media partners would directly transact with advertisers circumventing online marketing solutions providers like us. Further, we have noted that one of the Company's industry peer's major customer has been acquired by the online media platforms, which the advertiser customer may place advertisement on the online media platforms directly. In such unlikely circumstances where online media platform media partners acquire our advertiser customers or the online media platforms established their own content creation function in future similar to those currently offered by us, our advertiser customers may also transact with the online media platform media partners 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 generated majority portion of revenues from our largest five advertiser customers, in particular our largest advertiser customer, Customer A, during the Track Record Period.

During the Track Record Period, our top five advertiser customers accounted for 50.8%, 47.7%, 57.8% and 48.8% of our total revenues for the years ended December 31, 2018, 2019, 2020 and the four months ended April 30, 2021, respectively. For the year ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2021, revenue generated from our top five advertiser customers of all-in-one service accounted for 52.8%, 48.8%, 58.4% and 50.0% of our total revenue from all-in-one service, respectively. Our largest customer under the all-in-one service, Customer A, accounted for 26.5%, 25.1%, 42.8% and 36.9% for the years ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2021. In particular, our Group derived a significant portion of our revenue in 2020 from sales to our largest customer, namely Customer A, one of the largest e-commerce retailers in China. For the years ended December 31, 2018, 2019, 2020 and the four months ended April 30, 2021, our revenue generated from our marketing solutions services to Customer A amounted to RMB294.3 million, RMB846.7 million, RMB2,690.7 million and RMB797.0 million, respectively, which accounted for approximately 25.4%, 24.5%, 42.3% and 36.0% of our total revenue, respectively. Our accounts receivables from Customer A as at December 31, 2018, 2019, 2020 and the four months ended April 30, 2021 accounted for approximately 33.9%, 50.8%, 60.5% and 50.9% of our total accounts receivables as at the same dates, respectively. For our relationship with Customer A, see "Business — Top Customers and Suppliers — Our relationship with Customer A."

Since we have not entered into long term contracts with our advertiser customers, including Customer A, we cannot assure you that our advertiser customers, including Customer A, will continue to conduct business with us at same or increased levels or at all nor can we assure you that our advertiser customers, including Customer A, are able to settle the payment of the orders they place in accordance with the agreed credit term or at all. We cannot assure you that we will be able to reduce our reliance on a small number of major advertiser customers, in particular Customer A, in the near term. In the event that any of our major advertiser customers, such as Customer A, ceases to engage our solutions, or reduce business with us, and we are unable to find new advertiser customers with similar attributable revenue within a reasonable period of time or at all, our business, results of operations and financial condition may be materially and adversely affected.

We face potential liability and harm to our business due to the nature of our business and the content of our online short video marketing solutions.

Advertising may result in litigation relating to copyright or trademark infringements, public performance royalties or other claims based on the nature and content of advertising that is produced by or distributed through us. Under the "Advertising Law of the PRC" (《中華人民共和國廣告法》) (the "**Advertising Law**"), where an advertising operator provides advertising design, production or agency services with respect to an advertisement when it knows or should have known that the advertisement is false, fraudulent, misleading, or otherwise illegal, the competent PRC authority may confiscate the advertising operator's advertising revenue from such services, impose penalties, order it to cease dissemination of such false, fraudulent, misleading or otherwise illegal advertisement or correct such advertisement, or suspend or revoke its business licenses under certain serious circumstances. Under the Advertising Law, "advertising operators" include any natural person, legal person or other organization that provides advertising design, production, or agency services to advertisers for their advertising activities. As our online short video marketing solutions involve provision of "advertisement design, production and agency services" to advertiser customers, we are deemed as an "advertising operator" under the Advertising Law. As a result, we are obligated to ensure that the content of the online short video marketing solutions produced by us is true, accurate and in full compliance with applicable laws and regulations. In addition, for advertising content related to certain types of products and services, such as alcohol, cosmetics, pharmaceuticals and medical procedures, we are expected to confirm that the advertiser customers have obtained requisite government approvals, including operating qualifications, proof of quality inspection for the advertised products, government pre-approval of the content of the advertisements, and filings with the local authorities. We cannot assure you that each online short video advertisements and marketing creatives that we produce and place with our media partners complies with all applicable PRC laws and regulations, or that supporting documentation provided by our advertiser customers is authentic or complete. For the advertising content that are provided by our advertising agency customers directly, we cannot assure you that they will make adequate measures to ensure the advertising content to comply with the applicable laws and regulations and we may be exposed to potential liability and our reputation may be damaged.

If the online short video marketing industry fails to continuously develop and grow, or if the online marketing industry develops or grows more slowly than expected, our profitability and prospects may be materially and adversely affected.

Our business and prospects depend on the continuing development and growth of the online short video marketing industry as we derive substantially all of our revenue from our advertiser customers. Our profitability and prospects may be thus affected by a number of factors, many of which are beyond our control, including:

- technological innovation or new business models of the online marketing and online short video marketing industry or the changing requirements and demands of our advertiser customers;
- degree of acceptance of online marketing and online short video marketing as effective marketing channels and the emergence of alternative marketing channels;
- changes in governmental regulations or policies affecting the online marketing industry and online short video marketing industry;
- the growth of the online marketing and online short video marketing industry; and
- the growth of the global internet industry in general.

There can be no assurances as to the development and growth of the online marketing industry. Our business, financial conditions, results of operations and development prospects may be materially and adversely affected if the online short video marketing industry and the online marketing industry fails to continuously develop and grow, or develops or grows more slowly than expected.

Any discontinuation or change in preferential tax treatment or government grants that currently are or may be available to us in the future could materially and adversely affect our business, financial condition and results of operations.

The income tax provision of our Group in respect of its operations in the PRC was subject to statutory tax rate of 25% on the assessable profits for the Track Record Period, except for Qingdao Uju, which enjoys a corporate income tax rate of 20% as a small and low-profit enterprise, and Hainan Uju, which enjoys the preferential corporate income tax rate of 15%. See "Regulatory Overview — Law and Regulations Relating to Taxation" for further details of our taxation. We recorded government grants during the Track Record Period. For details, please refer to "Financial Information — Description of Selected Items of Statement of Profit or Loss and Other Comprehensive Income — Other Income". There can be no assurances that we would continue to enjoy these preferential tax treatment or financial subsidies or government grant at the historical levels, or at all. Any change, suspension or discontinuation of these preferential tax treatment or financial subsidies or government grant to us could adversely affect our financial condition, results of operations and cash flows.

If we are unable to keep pace with the rapid technological changes in the online short video marketing industry, our business may suffer.

The online short video marketing industry, the online marketing industry and the internet industry in general, are characterized by constant changes, including rapid technological evolution, continual shifts in customer demands and constant emergence of new market trends. Thus, our success will depend, in part, on our ability to respond to these changes in a cost-effective and timely manner. If we fail to meet evolving customer needs and to introduce market-accepted services for our existing and potential advertiser customers, we could lose our advertiser customers and our competitive position.

Our technological capabilities and infrastructure underlying our online short video marketing solutions are critical to our success. We need to anticipate the emergence of new technological developments and assess their market acceptance. New developments in big data analytics, AI and programmatical advertising could render our technologies, our platform or our solutions obsolete or unattractive. There can be no assurances that we will be able to keep with such new technological developments in an efficient and cost-effective manner, which may have a material and adverse effect on our business, results of operations and financial condition.

Furthermore, the design of internet devices and operating systems is controlled by third parties with which we do not have any formal relationship. These parties frequently introduce new devices, and from time to time they may introduce new operating systems or modify existing ones. Network carriers may also restrict our ability to access specific content on internet devices. If we fail to adapt to new generations of internet devices and operating systems, our business may become less competitive or obsolete. Any of these events could materially and adversely affect our business, financial condition, results of operations and prospects.

Our investments in the development on the U-Engine platform may not be successful, which may have an adverse impact on our financial conditions and profitability.

To adapt to the evolving online short video marketing industry and to keep up with the continuous technological developments or new business models, we need to continue to upgrade and develop the U-Engine platform. See "Business — Our Online Marketing Solutions Business — Our Proprietary Online Marketing Solutions Services Platform — U-Engine Platform." However, our investments in the upgrade and development of the U-Engine platform may not be successful due to a variety of reasons such as technical hurdles, inaccurate predictions of market demand and trends or a lack of necessary resources. Failure of such investments that does not help us upgrade the U-Engine platform may reduce our profitability and have an adverse impact on our financial conditions.

We may be unable to successfully implement or implement in full and effectively our future business plans and business strategies.

Our success is dependent on, among other things, our proper and timely execution of our future business plans. It is our aim to solidify our market position in the online short video marketing industry and strengthen our online short video content production capabilities. We expect to continue increasing penetration in existing markets. Moreover, we intend to invest in companies that have demonstrated adequate capabilities that we believe can generate synergy with our current business. Our rapid expansion may expose us to various risks. Thus, we depend on our ability to effectively manage our growth or implement our business strategies. As our operations grow in size, scope and complexity, we will incur significant costs and allocate additional resources to strengthen and develop relationships with our existing and potential business partners, expand our sales and marketing efforts, hire and retain experienced employees, enhance our technological infrastructure, explore strategies for our services, stabilize our operational efficiency and improve our financial systems and internal control. However, the likelihood of returns on such investments may not be achieved for a few years, or possibly at all.

Our current and future expansion plans will also require significant managerial attention and resources in order for us to flourish. Moreover, our future business plans may be hindered by factors beyond our control, such as competition within the industry we operate, our ability to cope with financial risk, operational risk and market risk as our business and user base expands, and our ability to provide, maintain and improve the level of human and other resources in serving our users and business partners. As a result, we cannot assure that our future business plans will materialize in accordance with the timetable, or at all, or that our objectives will be accomplished fully or partially, or that our business strategies will generate the intended benefits to us as initially contemplated. In addition, as part of our future plans to explore overseas marketing opportunities, we cannot assure you that we can deliver successful online marketing solutions services to our advertiser customers to attract foreign final consumers. If we fail to implement our expansion plans and business development strategies successfully, our business performance, financial condition and future prospects and growth could be materially and adversely affected.

For details of our future business plans and business strategies, see "Future Plans and Use of Proceeds" and "Business — Our Strategies."

If we do not effectively manage our growth, our operating performance will deteriorate and we may lose advertiser customers.

We have experienced rapid growth in terms of our revenue, the number of our advertiser customers and our employees. We expect continuing development in our business through organic growth. Our future development will continue to focus on the strengthening of our managerial, operational, technological capabilities in connection

with the online short video marketing solutions services. Such strategic focus will also require us to maintain the consistency of our service offerings to ensure that our market reputation and leading position do not suffer as a result of any deviations, whether actual or perceived, in the quality of our online short video marketing solutions services. Our future results of operations depend to a large extent on our ability to manage this expansion and growth successfully. In particular, our continuing growth may subject us to the following additional challenges in:

- ensuring the productivity of a large employee base and the recruitment, training and retaining of highly skilled personnel, including sales and marketing, content production, research and development, and operations specialists for our growing operations;

- improving and upgrading our online marketing solutions to address the evolving demands and requirements of our advertiser customers successfully;

- improving our big data analytics to achieve better content production capabilities with the U-Engine platform successfully;

- maintaining effective operational, financial and management controls; and

- responding to evolving industry standards and governmental regulations that impact our growing business, particularly in the areas of data protection and privacy.

There can be no assurances that our current technologies, procedures, resources and controls will be adequate to support our contemplated growth. If we fail to manage our growth effectively, our business, results of operations and prospects may be materially and adversely affected.

If we do not effectively manage our costs and expenses, we may not be able to sustain our profitability.

We rely on the supply of ad inventories from our media partners to place advertisements for our advertiser customers. Our traffic acquisition and monitoring costs amounted to RMB1,020.2 million, RMB3,172.2 million, RMB5,936.3 million, RMB1,346.5 million and RMB2,035.8 million for the year ended December 31, 2018, 2019, 2020 and the four months ended April 30, 2020 and 2021, respectively, accounting for 97.2%, 98.8%, 98.4%, 98.3% and 97.2% of our cost of services, respectively, for the same periods. Traffic acquisition and monitoring costs accounted for a substantial portion of our cost of services and any increase in traffic acquisition costs, particularly the increasing traffic acquisition costs to purchase user traffic on top online media platforms may impact our profitability and our business, financial condition and result of operations.

Meanwhile, employee benefits expenses constituted the second largest component of our cost of services, the largest component of our selling and distribution expenses and the largest component of our general and administrative expenses. For the years ended December 31, 2018, 2019, 2020 and the four months ended April 30, 2020 and 2021, our total employee benefits expenses (including those recorded in cost of services, selling expenses, and administrative expenses as well as research and development expenses) accounted for approximately 3.0%, 1.7%, 1.8%, 2.1% and 2.7%, respectively, of our total revenue for the same years. The increasing employee benefits expenses, together with the impact of the increase in employee benefit expenses arising from our future expansion plan, may impact our profitability and our business, financial condition and result of operations.

In addition, we have expended significant resources to grow our business in recent years by enhancing our technology capabilities and growing the number of our employees. We anticipate continuing growth that could require substantial financial and other resources to, among other things:

- invest in our content production capabilities to deliver high-quality, attractive and technology-empowered online short video advertisements;
- invest in the U-Engine platform and improve our big data analytics and intelligence advertisement placement capabilities;
- invest in the development of intelligent e-commerce marketing solutions on leading online short video platforms; and
- invest in our sales and marketing team to increase our advertiser customer and media partner base.

Our expenditures may not yield the anticipated returns or benefits to our business, and if we fail to effectively manage our costs and expenses, we may not be able to sustain profitability. Our media partners may grant to us rebates mainly based on the gross spending of the advertiser customers (i) in the form of prepayments for future traffic acquisition; (ii) to net off the accounts payables we owed to them; or (iii) in cash. Such rebates as a percentage of our gross spending may fluctuate and are reviewed and adjusted from time to time by such media partners. If our media partners cease to offer rebates to us or offer reduced rebates as a percentage of our gross spending, our business, results of operations, financial condition, liquidity and prospect may be materially and adversely affected.

We may face certain risks in collecting our accounts receivables, and the failure to collect could have a material adverse effect on our business, financial condition and results of operations.

As of December 31, 2018, 2019, 2020 and April 30, 2021, our accounts receivables were RMB535.4 million, RMB1,158.0 million, RMB1,808.8 million and RMB1,895.6 million, respectively. Our accounts receivables turnover days were 56 days, 65 days, 65 days and 73 days for the same periods, respectively. We has accumulated impairment losses on accounts receivables of RMB0.2 million, RMB75.8 million, RMB129.4 million and RMB137.4 million for the years ended December 31, 2018, 2019, 2020 and April 30, 2021, respectively. As our business continues to scale, our accounts receivables balance may continue to grow, which may increase our risks for uncollectible receivables. We generally do not require collateral or other security from our customers. Actual losses on accounts receivables balance could differ from those that we anticipate and reserve in our allowance account, as a result we might need to adjust our allowance. Macroeconomic conditions could also result in financial difficulties for our advertiser customers, including limited access to the credit markets, insolvency or bankruptcy, and as a result could cause our advertiser customers to delay payments to us, request modifications to their payment arrangements or default on their payment obligations to us. If we are unable to collect our accounts receivables from our advertiser customers, our business, financial condition and results of operations may be materially and adversely affected.

We had recorded negative cash flow from operating activities during the Track Record Period and may be subject to liquidity risks, which could constrain our operational flexibility and materially and adversely affect our business, financial condition and results of operations.

We recorded negative operating cash flow of RMB47.1 million, RMB166.2 million and RMB286.5 million in 2018 and 2019 and the four months ended April 30, 2021, respectively. Our operating cash outflow was primarily due to the relatively longer credit terms we granted to our clients than those media partners granted to us. For example, we generally granted a credit period of 30 days to 120 days to our advertiser customers, while our media partners generally granted us a credit period of 30 days to 90 days. For details, see "Financial Information — Liquidity and Capital Resources — Consolidated Statements of Cash Flows — Operating Activities."

We cannot assure you that we will be able to generate positive cash flows from operating activities in the future. If we record net operating cash outflows in the future, our working capital may be constrained, which may adversely affect our financial condition. Our future liquidity primarily depends on our ability to maintain adequate cash inflows from our operating activities and adequate external financing. If we fail to obtain sufficient funding in a timely manner and on reasonable terms, or at all, our business, financial condition and results of operations may be materially and adversely affected.

We have no control over online media platforms. If any inappropriate content is displayed on their platforms on which we place our advertisements, our reputation, business, financial conditions, results of operations and reputation may be materially and adversely affected.

We acquire user traffic from media partners to place our advertisements on the platforms of online media platforms. We have no control over the content which appears on these online media platforms and are not able to ensure their compliance with applicable laws and regulations. If any inappropriate content is discovered on their platforms, our advertising customers may decide to pull out their advertisements from such platforms and these online media platforms may even be ordered by governmental authorities to suspend or terminate their operations. In the event that we are unable to identify suitable replaceable online media platforms in a timely manner, our scheduled advertising campaigns would be delayed or even cancelled, and our reputation, business, financial conditions, results of operations and reputation may be materially and adversely affected.

Our financial assets at FVOCI are subject to uncertainties and risk and the fair value change of such assets may materially and adversely affect our results of operations.

We recorded financial assets at fair value through other comprehensive income ("**FVOCI**") in the amount of RMB69.3 million, RMB99.9 million, RMB66.9 million and RMB63.7 million as of December 31, 2018, 2019, 2020 and April 30, 2021, respectively. Our financial assets at FVOCI represent our accounts receivables from a major customer and the bank acceptance bills. See "Financial Information — Certain Balance Sheet Items — Financial Assets at FVOCI" and note 19 to the Accountant's Report set out in Appendix I to this document for more details.

The changes in fair value of our financial assets designated at FVOCI are reflected in our other comprehensive income. Such financial assets are measured at fair value and the changes of fair value are recorded in our consolidated statements of profit or loss and other comprehensive income, therefore directly affecting our results of operations. There is no assurance that we will not incur any fair value losses in the future. If we incur significant fair value losses on the financial assets, our results of operations, financial condition and prospects may be adversely affected.

Our large prepayments to major suppliers may involve significant uncertainty. Failure to recover our prepayments in part or in full could have a material and adverse impact on our business and financial position.

During the Track Record Period, we made significant prepayments to leading online media platforms for user traffic acquisition. As of December 31, 2018, 2019, 2020 and April 30, 2021, the balance of our prepayments to suppliers, majority of which represent our prepayment to online media platforms, was RMB7.3 million, RMB101.0 million, RMB84.7 million and RMB163.6 million, respectively. Some leading online media platforms generally require us to make prepayment to them upon purchase of user traffic from them, and the total amount of the prepayment is determined by the online media platforms based on various factors such as, among others, our total historical purchases and future

business scales. Therefore, we may have to make increasing and significant prepayments to these online media platforms to purchase user traffic with the rapid expansion of our online marketing solutions business. If the amounts of prepayments paid to major online media platform suppliers for user traffic acquisition increase significantly in the future, we may be exposed to credit and liquidity risks as well as working capital insufficiency caused by the timing mismatch between prepayment for purchases of user traffic and the collection of accounts receivables. If the unit price or material terms of user traffic are materially altered, we may be subject to price pressure and may incur more traffic acquisition costs than we expected. If our suppliers fail to provide relevant traffic resources to us in a timely manner or at all, we may be exposed to prepayment default risk, which may in turn materially and adversely affect our business and financial position. Moreover, any material adverse change to the business, results of operations or financial condition of these suppliers may subject us to prepayment default risks and have an adverse impact on us.

We are exposed to fair value changes for financial assets at fair value through profit or loss and valuation uncertainty due to the use of unobservable inputs that require judgment and assumptions which are inherently uncertain.

During the Track Record Period, we purchased low-risk financial assets at fair value through profit or loss ("**FVTPL**"), which represented wealth management products that do not have a stated maturity and are redeemable at will issued by PRC commercial banks, because we believe we can make better use of such cash by making appropriate short-term investments to enhance our income without interfering with our normal business operation or capital expenditures. As of December 31, 2018, 2019, 2020 and April 30, 2021, our financial assets at FVTPL amounted to RMB38.3 million, nil, nil and RMB80.0 million, respectively. The fair value of financial assets at FVTPL are valued by discounting their future cash flows based on expected interest rate disclosed by the issuing banks, and net changes in their fair value are recorded as our operating income or loss, and therefore directly affects our results of operations. We did not incur any fair value losses for financial assets at FVTPL during the Track Record Period. However, we cannot assure you that we will not incur any such fair value losses in the future. If we incur such fair value losses, our results of operations, financial condition and prospects may be adversely affected.

Our future strategic investments or acquisitions may fail, which may have a material and adverse effect on our business, financial condition and results of operations.

As part of our business growth strategy, we may in the future invest in or acquire businesses or platforms that we believe can expand or complement our online marketing capabilities, as well as our technological capacities. Our ability to implement such strategy will depend on our ability to identify suitable targets, our ability to reach agreements with them on commercially reasonable terms and the availability of financing to complete any such investment or acquisition, as well as our ability to obtain any required shareholder or government approvals where applicable. Our future strategic investments or mergers and acquisitions could subject as to uncertainties and risk, including:

- high acquisitions and financing costs;

- potential ongoing financing obligations and unforeseen or hidden liabilities;
- potential loss of key business relationships and the reputation of the targets;
- failure to achieve our intended objectives, benefits or revenue-enhancing opportunities;
- uncertainty of entering into markets in which we have limited or no experience and in which our competitors have stronger market positions;
- costs associated with, and difficulties in, integrating acquired business and assets into our own;
- potentially significant goodwill impairment charges;
- amortization expenses of other intangible assets;
- potential claims or litigation regarding our Board's exercise of its duty of care and other duties required under applicable law in connection with any of our significant acquisitions or investments approved by the Board;
- diversion of our resources and management attention from our existing business; and
- exposure to potential unknown liabilities of the acquired businesses.

In addition, the assets or businesses we invest in or acquire may not generate results we expect. Our failure to address these uncertainties and risks may have a material adverse effect on our liquidity, financial condition and results of operations. Furthermore, we may also in the future establish strategic alliances with various third parties to further our business. Strategic alliances with third parties could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance by the counterparts, reputation risk, regulatory risk and an increase in expenses incurred in establishing new strategic alliances, any of which may materially and adversely affect our business and results of operations.

We may not be able to provide online marketing solutions to our advertiser customers in a timely manner or at all, which may subject us to refund of online marketing solutions service fees.

We derive substantially all revenue from providing online marketing solutions to advertiser customers. Under certain circumstances, including where leading online media platforms require prepayments, we may require online marketing solutions service fees to be paid by our advertiser customers in advance prior to the provision of the relevant underlying services, which are initially recorded as contract liabilities and are recognized as revenue when the relevant services are rendered to our advertiser customers. We recorded contract liabilities of RMB16.9 million, RMB31.3 million, RMB66.1 million and RMB75.8 million as of December 31, 2018, 2019, 2020 and April 30, 2021, respectively. The delivery of our services to our advertiser customers may be disrupted by unforeseeable events, such as outbreak of contagious diseases, occurrence of *force majeure* events, regulatory changes and/or natural disasters. In such events, we may be unable to fulfil our obligation in respect of the contract liabilities and may need to refund a portion or all of our contract liabilities not yet recognized as revenue to our advertiser customers, which could result in an adverse impact on our cash flows generated from operating activities.

In the event we are unable to successfully render services to our advertiser customers in the future, we may be subject to claims to refund a portion or all of our contract liabilities, which could materially and adversely affect our business, results of operations and financial condition.

We are uncertain about the recoverability of our deferred income tax assets, which may affect our financial positions in the future

As of December 31, 2018, 2019 and 2020 and April 30, 2021, our deferred income tax assets amounted to RMB1.2 million, RMB21.6 million, RMB41.6 million and RMB39.8 million, respectively, which mainly represent temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. For details of the movements of our deferred income tax assets during the Track Record Period, please see Note 29 of the Accountant's Report in Appendix I to this document.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. This requires significant judgment on the tax treatments of certain transactions and also assessment on the probability that adequate future taxable profits will be available for the deferred income tax assets to be recovered. We cannot guarantee the recoverability or predict the movement of our deferred income tax assets. If we fail to recover our deferred income tax assets, this may adversely affect our financial positions in the future.

If we are provided with inaccurate or fraudulent data, it may have an adverse impact on our business, results of operations and reputation.

We depend on the accuracy and genuineness of ad performance data and other data provided by our advertiser customers and media partners in evaluating the effectiveness of campaign performance and determining the service fees that we receive from our advertiser customers and the traffic acquisition costs that we pay to our media partners. We are not contractually required to verify the ad performance data reported by our media partners. Our advertiser customers may engage independent third party data tracking platforms to verify the ad performance data, the cost of which shall be borne by themselves, and any discrepancy discovered pursuant to any such data verification shall be settled between our advertiser customers and our media partners directly. If the ad performance data or other data provided by our advertiser customers and media partners is inaccurate or fraudulent, we will neither be able to improve audience targeting precision nor achieve better campaign performance for our advertiser customers. If our system fails to detect fraudulent ad performance data or other inaccurate data, we may have to pay unnecessary traffic acquisition costs to our media partners based on these fraudulent data, while our advertiser customers may refuse to pay us service fees due to the ineffectiveness of our online short video marketing campaigns, which could result in disputes with our advertiser customers or media partners, harm to our reputation and loss of our advertiser customers and media partners, and adversely affect our business, results of operations and financial conditions.

If the PRC government considers that we were operating without the proper approvals, licenses or permits, or promulgates new laws and regulations that require additional approvals or licenses or imposes additional restrictions on the operation of any part of our business, it has the power, among other things, to levy fines, confiscate our income, revoke our business licenses, require us to discontinue our relevant business or impose restrictions on the affected portion of our business. Any of these actions by the PRC government may have a material adverse effect on our business and results of operations.

We face uncertainties with respect to the interpretation and implementation of the Anti-Monopoly Guidelines for the Internet Platform Economy Sector.

In February 2021, the Anti-Monopoly Commission of the State Council published the Anti-Monopoly Guidelines for the Internet Platform Economy Sector (《關於平台經濟領域的反壟斷指南》) (the "**Guidelines**") that aims at specifying some of the circumstances under which an activity of internet platforms may be identified as monopolistic act as well as setting out merger controlling filing procedures involving variable interest entities.

Due to the uncertainties associated with the evolving legislative activities and varied local implementation practices of anti-monopoly and competition laws and regulations in the PRC, it may be costly to adjust some of our business practice in order to comply with these laws, regulations, rules, guidelines and implementations, and any incompliance or associated inquiries, investigations and other governmental actions may divert significant management time and attention and our financial resources, bring negative publicity, subject us to liabilities or administrative penalties, and/or materially

and adversely affect our financial conditions, operations and business prospects. As advised by our PRC Legal Advisors, we have not been subject to any regulatory actions or investigations in connection with anti-monopoly. As the Guidelines was newly promulgated, it is uncertain to estimate its specific impact on our business, financial condition, results of operations and prospects. We cannot assure that our business operations comply with such regulations and authorities' requirements in all respects. If any non-compliance is raised by relevant authorities and determined against us, we may be subject to fines and other penalties.

We face uncertainties with respect to the interpretation and implementation of the Supervision and Administration of Online Trading.

SAMR published the Supervision and Administration of Online Trading (《網絡交易監督管理辦法》) (the "**Online Trading Measures**") on March 15, 2021 and came into effect on May 1, 2021, which aims to regulate business activities involving the sale of commodities or provision of services through internet and other information networks by the online transaction operators.

As advised by our PRC Legal Advisors, we are not an online transaction operator, but shall be classified as an "other service provider" that provides public and promotion services for online transaction operators as defined under the Online Trading Measures. According to the Online Trading Measure, we are only obliged to promptly assist SAMR in their legal investigation and enforcement against any illegal online transactions, required to provide relevant data and information and to assist the regulatory authorities by taking any necessary actions to stop any illegal act committed by an online transaction operator.

As advised by our PRC Legal Advisors, we have not been subject to any regulatory actions or investigations in connection with online trading. As the Online Trading Measures was newly promulgated, it is uncertain to estimate its specific impact on our business, financial condition, results of operations and prospects. We cannot assure that our business operations comply with such regulations and authorities' requirements in all respects. If any non-compliance is raised by relevant authorities and determined against us, we may be subject to fines and other penalties.

Any breaches to our security measures, including unauthorized access, computer viruses and hacking, may adversely affect our database, reduce use of our services and damage our reputation and brand names.

The volume of data that we process and store makes us an attractive target and potentially vulnerable to cyber attacks, computer viruses, physical or electronic break-ins or similar disruptions. While we have established mechanisms to protect our database, our security measures could be breached. Because techniques used to sabotage or obtain unauthorized access to systems change frequently and generally are not recognized until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate and timely preventative measures. Any accidental or willful security breaches or other unauthorized access to our database could cause confidential information to be stolen and used for illegal purposes. Security breaches or unauthorized access to confidential information could also expose us to liability relating to the loss of

the information, time-consuming and expensive litigation and negative publicity. If security measures are breached because of third-party action, employee error, malfeasance or otherwise, or if design flaws in our information technology infrastructure are exposed and exploited, our relationships with our advertising customers and media partners could be severely damaged, we could incur significant liability and our business and operations could be materially and adversely affected.

Interruption or failure of our information technology infrastructure could impair our ability to provide our services to our advertiser customers, which could cause us to lose advertiser customers and media partners, and harm our business and results of operations.

Our business depends partly on the performance, reliability and stability of our information technology infrastructure. We may experience service disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, human or software errors, hardware failure, computer viruses, fraud and security attacks. Any interruption or failure of our information technology infrastructure to function properly could impair our ability to effectively deliver our online marketing solutions, and cause loss of advertiser customers, media partners, data assets and trade secrets, disruption to our research and development activities, transaction errors and processing inefficiencies, which may have a negative impact on our business operations and reputation. Our business depends as well on the performance and reliability of the internet infrastructure in China. Almost all access to the internet is maintained through state-owned telecommunication operators under the administrative control and regulatory supervision of the MIIT. We rely on this infrastructure to provide data communications primarily through local telecommunication lines and wireless telecommunication networks. In the event of disruptions, failures or other problems with China's internet infrastructure, we may not have access to alternative networks on a timely basis, if at all.

In addition, since we rely on our online media platform partners to deliver our advertisements, any interruption or failure of their information technology and communications systems may undermine the effectiveness of our services and cause us to lose advertiser customers.

We may be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations.

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate trademarks, patents, copyrights, know-how or other intellectual property rights held by third parties. We may be from time to time in the future subject to legal proceedings and claims relating to the intellectual property rights of others. In addition, there may be third-party trademarks, patents, copyrights, know-how or other intellectual property rights that are infringed by our 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.

Additionally, the application and interpretation of intellectual property right laws and the procedures and standards for granting trademarks, patents, copyrights, know-how or other intellectual property rights are evolving and may be uncertain, and we cannot assure you that courts or regulatory authorities would agree with our legal analysis. If we were found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. As a result, our business and financial condition may be materially and adversely affected.

Our business is subject to seasonal fluctuations which could have a material impact on our revenue, cash flow and operating results.

Our revenue, cash flow, operating results and other key operating and performance metrics may vary from quarter to quarter due to the seasonal nature of the advertiser customers' spending on online marketing campaigns. For example, e-commerce advertiser customers tend to devote more of their advertising budgets around holiday seasons and shopping events when consumers tend to spend more, while online game advertiser customers may adjust their advertising timing according to the launch of their new games. Moreover, ad inventories in holiday seasons may be more expensive due to increased demands. Historically, the second half, especially the fourth quarter, of each calendar year generally contributes the largest proportion of our revenue and the first quarter of each calendar year generally contributes a smaller portion of our revenue. See "Business — Seasonality" for more details. As a result, our quarterly results may not be comparable to the corresponding periods of prior years, and you may not be able to predict our annual results of operations based on a quarter-to-quarter comparison of our results of operations. Our historical revenue growth has masked the impact of seasonality, but if our growth rate declines or seasonal spending becomes more pronounced, seasonality could have a material impact on our revenue, cash flow and operating results from period to period.

Our limited insurance coverage could expose us to significant costs and business disruption.

Insurance companies in China generally do not offer as extensive an array of insurance products as insurance companies do in countries with more developed economies. In line with general industry practice in China, we do not maintain business interruption insurance, key man life insurance, any insurance for our information technology infrastructure and systems or any insurance for our leased properties.

Any disruption in our information technology infrastructure or business operations, litigation or natural disasters may result in our incurring substantial costs and the diversion of our resources, and we have no insurance to cover such losses. As a result, our business, financial condition and results of operations could be materially and adversely affected.

Failure to make adequate social insurance and housing provident fund contributions as required by the PRC laws and regulations may subject us to penalties.

Pursuant to the relevant PRC laws and regulations, employers in the PRC are required to make, among other things, social insurance and housing provident fund contributions for their employees, and entities failing to make such contributions may be ordered to settle the outstanding contributions within a prescribed time limit and/or subject to penalties. During the Track Record Period, we were not in strict compliance with the requisite contribution requirements in relation to some of our employees. We estimate that the shortfall in social insurance fund and housing provident fund contributions amounted to approximately RMB1.6 million, RMB3.2 million and RMB1.1 million for the three years ended December 31, 2018, 2019 and 2020, respectively. There is no assurance that there will not be any employee complaint against us in relation to our failure to make full social insurance and housing provident fund contributions. There is also no assurance that we will not be ordered to rectify such non-compliance incidents or subject to penalties imposed by the relevant PRC authorities as a result of such non-compliance incidents. Any such complaints, orders or penalties may have an adverse effect on our financial conditional and results of operations.

We may be subject to legal proceedings in the ordinary course of our business. If the outcomes of these proceedings are adverse to us, it could have a material adverse effect on our business, results of operations and financial condition.

We may be subject to legal proceedings from time to time in the ordinary course of our business, which could have a material adverse effect on our business, results of operations and financial condition. We may receive formal and informal inquiries from governmental authorities and regulators regarding our compliance with laws and regulations, many of which are evolving and subject to interpretation. Claims arising out of actual or alleged violations of laws could be asserted against us by our advertiser customers, media partners, competitors, governmental entities in civil or criminal investigations and proceedings or other third parties. These claims could be asserted under a variety of laws, including but not limited to advertising laws, internet information services laws, intellectual property laws, unfair competition laws, data protection and privacy laws, labor and employment laws, securities laws, real estate laws, tort laws, contract laws, property laws and employee benefit laws. We may also be subject to lawsuits due to actions by our media partners or advertiser customers.

There can be no guarantee that we will be successful in defending ourselves in legal and administrative actions or in asserting our rights under various laws. Even if we are successful in our attempt to defend ourselves in legal and administrative actions or to assert our rights under various laws, enforcing our rights against the various parties involved may be expensive, time-consuming and ultimately futile. These actions may expose us to negative publicity, substantial monetary damages and legal defense costs, injunctive relief, and criminal and civil fines and penalties, including but not limited to suspension or revocation of our licenses to conduct business.

The continuing and collaborative efforts of our senior management and other key personnel are crucial to our success, and our business may be harmed if we lose their services.

Our business operations depend on the continued services of our senior management team and other key personnel, some of whom have been with us since our inception. In particular, we rely on the expertise, experience and leadership of our founder, Chairman and Executive Director, Mr. Ma, who has approximately 12 years of experiences in conventional and online marketing industry. See "Directors and Senior Management" for more details about our senior management team.

If one or more of our key personnel were unable or unwilling to continue to serve in their present positions, we may not be able to find suitable replacements, our future growth may be constrained, our business may be severely disrupted and our financial condition and results of operations may be materially and adversely affected. In addition, there can be no assurances that none of our key personnel will join our competitors or form a new competing business. If any dispute arises between our current or former key personnel and us, we may have to incur substantial costs and expenses to enforce such agreements or we may not be able to enforce them at all.

Our future success depends on our ability to attract, hire, retain and motivate highly skilled employees and increases in employees' wages and benefits may adversely affect our business and ability to sustain profitability.

As of the Latest Practicable Date, we had a total number of 925 employees. We believe our future success depends on our continued ability to attract, hire, retain and motivate qualified and skilled talents. In particular, experienced experts are critical in improving our infrastructure and technologies and optimizing our operations. Competition for recruitment of highly skilled professionals is extremely intense, which could also increase our costs to attract and retain talented employees. The average compensation level for our employees generally increased during the Track Record Period and are expected to continue to grow. We may not be able to hire and retain our skilled employees at compensation levels consistent with our existing compensation level and structure. Some of the companies with which we compete for experienced employees may have greater resources than we have and may be able to offer more attractive terms of employment. In addition, we invest significant time and resources in training our employees to ensure their competitiveness, which increases their value to competitors who may seek to recruit them. If we fail to retain our employees, we could incur significant expenses in hiring and training new employees, and our ability to provide our services consistently could diminish, resulting in a material adverse effect on our business and ability to sustain profitability.

We have incurred and may continue to incur substantial share-based compensation expenses.

We believe the granting of share-based compensation is important to our ability to attract, retain and motivate our management team and qualified employees, and we may continue to grant share-based compensation to employees in the future when appropriate. We recorded share-based compensation expenses of RMB3.5 million, RMB0.3 million and RMB0.5 million in 2018, 2019 and 2020. Moreover, if additional share options or other equity incentives are granted to, among others, our employees, directors or consultants in the future, our expenses associated with share-based compensation may increase significantly, which may have a material and adverse effect on our business, financial condition, results of operations and prospects.

We may need additional capital to support or expand our business, and we may be unable to obtain such capital in a timely manner or on acceptable terms, or at all.

We may need additional cash resources in the future if we experience changes in current conditions or pursue business expansions. We may also need additional cash resources in the future if we pursue opportunities for investments, acquisitions or similar actions. If we determine that our cash requirements exceed the amount of cash and cash equivalents we have on hand at the time, we may seek to issue equity or debt securities or obtain credit facilities. The issuance and sale of additional equity would result in further dilution to our shareholding. The incurrence of indebtedness would result in increased fixed obligations and could result in operating and financial covenants that would restrict our operations. We have historically used bank borrowings to partially finance our operations. We cannot assure you that we can access bank financing on favorable terms. We cannot assure you that additional financing will be available in amounts sufficient or on terms acceptable to us, if at all.

We may be subject to potential adverse consequences due to defective titles of certain properties we leased in the PRC.

As of the Latest Practicable Date, for some of our leased properties, we either have not been provided by the lessors with the relevant building ownership certificates or other documents proving the relevant title of the properties, or the leased properties are being used by the landlord inconsistent with its designated use under the land and building use permit, or the property was pledged by the landlord before leasing to us, or the leased property was built on land which are prohibited from leasing according to applicable PRC laws and regulations. For more details, see "Business — Properties." As a result, it is possible that third parties could seek to assert ownership rights against the landlords, and we may not be abler to continue to use and lease the relevant properties if any of these leased properties are challenged by the relevant authorities.

Since we are not able to confirm the ownership of some of the properties we occupy and use due to the abovementioned defective titles, in the event that any party claims a right to such properties, we may need to find an alternative location to which to relocate. However, we cannot assure that we will be able to find a suitable replacement in a timely manner, or at all. Any relocation of our operations, or failure to find a suitable replacement location, may result in significant costs to us or cause a disruption to our operations.

We face risks related to natural disasters, health epidemics such as COVID-19, civil and social disruption and other outbreaks, which could significantly disrupt our operations.

We are vulnerable to social and natural catastrophic events that are beyond our control, such as natural disasters, health epidemics, and other catastrophes, which may materially and adversely affect our business. Since December 2019, a novel strain of coronavirus or COVID-19, has become widespread in China and around the world. In March 2020, the World Health Organization declared the COVID-19 a pandemic, given its threat beyond a public health emergency of international concern that the organization had declared in January 2020. Since early 2020, China and many other countries have taken various restrictive measures to contain the virus' spread, such as quarantines, travel restrictions and home office policies. In response to this pandemic, hospitals and physicians across China focused their efforts on treating COVID-19 patients and prioritized resources toward containing the virus, resulting in many diagnostic procedures of genetic testing being deferred.

While COVID-19 has begun to stabilize in China, the potential downturn brought by and the duration of the COVID-19 outbreak is difficult to assess or predict and the full impact of the virus on our operations, if any will depend on many factors beyond our control. Our business operations could be disrupted if any of our employees is suspected of contracting COVID-19, or if our advertiser customers or media partners continue to be affected by COVID-19. Our business, results of operations, financial condition and prospects could be adversely affected to the extent that COVID-19 harms the Chinese and global economy in general. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section.

Our Controlling Shareholders have substantial control over our Company and their interests may not be aligned with the interests of the other Shareholders.

Prior to and immediately following the completion of the [**REDACTED**], our Controlling Shareholders will retain substantial control over our Company. Subject to our Articles of Association and the Cayman Islands Companies Act, our Controlling Shareholders will be able to exercise significant control and exert significant influence over our business or otherwise on matters of significance to us and other Shareholders by voting at the general meeting of the Shareholders and at Board meetings. The interests of our Controlling Shareholders may differ from the interests of other Shareholders and they are free (other than on any matters that they are required to abstain from voting) to exercise their votes according to their interests. To the extent that the interests of our Controlling Shareholders conflict with the interests of other Shareholders, the interests of other Shareholders can be disadvantaged and harmed.

RISKS RELATING TO THE PRC

China's economic, political and social conditions and government policies, as well as the global economy, may continue to affect our business.

Substantially all of our businesses, assets, operations and revenue are located in or derived from our operations in the PRC and as a result, our business, financial condition and results of operations are subject, to a significant degree, to the economic, political, social and regulatory environment in the PRC. The PRC government regulates the economy and the industries by imposing industrial policies and regulating the PRC's macro economy through fiscal and monetary policies.

The PRC economy has undergone a transition from a planned economy to a market-oriented economy. The PRC government has, in recent years, taken various actions to introduce market forces for economic reform, to reduce State ownership of productive assets and to promote the establishment of sound corporate governance in business entities. However, a substantial portion of productive assets in the PRC are still owned by the PRC government. In addition, the PRC government continues to play a significant role in regulating the economy and the industries by issuing industrial policies. The PRC government still retains significant control over the PRC's economic growth through the allocation of resources, monetary policies and preferential treatments to particular industries or enterprises.

Our performance has been and will continue to be affected by China's economy, which in turn is influenced by the global economy. The uncertainties relating to the global economy as well as the political environment in various regions of the world will continue to impact China's economic growth. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and China. There have been concerns over unrest and terrorist threats in the Middle East, Europe and Africa, which have resulted in market volatility. There have been concerns on the relationship between China and other countries, including the surrounding Asian countries, which may potentially have adverse economic effects. There have also been concerns on the trade war initiated by the United States against China and other countries. While China's economy has experienced significant growth in the past few decades, growth has been uneven across different regions and economic sectors and there is no assurance that such growth can be sustained. The global economic slowdown and the turmoil in the global financial markets that began in the second half of 2008, continued weakness in the U.S. economy and the sovereign debt crisis in Europe have collectively added downward pressure to economic growth in China. The growth rate of China's real GDP has decreased from 6.7% in 2018 to 6.1% in 2019, and further to 2.3% in 2020 primarily due to the COVID-19 pandemic.

We are unable to predict all the risks and uncertainties that we face as a result of current economic, political, social, and regulatory developments and many of these risks are beyond our control. All such factors may materially and adversely affect our business and operations as well as our financial performance.

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

The Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the "**M&A Rules**"), adopted by six PRC regulatory agencies 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 a PRC domestic enterprise. For details, see "Regulatory Overview — Regulations Relating to M&A." The M&A Rules further require that, among others, an offshore special vehicle, or a special purpose vehicle, formed for listing purposes and controlled directly or indirectly by PRC companies or individuals, shall obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange, in particular if the special purpose vehicle acquires shares of or equity interests in the PRC companies in exchange for shares of offshore companies.

Moreover, the Anti-Monopoly Law (《反壟斷法》) requires that the MOFCOM shall be notified in advance of any concentration of undertaking if certain thresholds are triggered. In addition, the "Rules of Ministry of Commerce on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors" issued by the MOFCOM (《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》) that became effective in September 2011 specify that mergers and acquisitions by foreign investors that raise "national defense 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 a security review, including by structuring the transaction through a proxy or contractual control arrangement. In the future, we may grow our business by acquiring complementary businesses. 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 MOFCOM or its local counterparts may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

We may be deemed to be a PRC tax resident enterprise under the EIT Law, which may materially and adversely affect our profitability and the value of your investments.

We are a company incorporated under the laws of the Cayman Islands. Pursuant to the EIT Law and its implementation rules, if an enterprise incorporated outside the PRC has its "de facto management bodies" within China, such enterprise would generally be deemed as a "PRC resident enterprise" for tax purposes and be subject to an EIT rate of 25% on its global income. "De facto management bodies" is defined as the body that has actual overall management and control over the business, personnel, accounts and properties of an enterprise. In April 2009, July 2011 and January 2014, the SAT issued

several circulars to clarify certain criteria for the determination of the "de facto management bodies" for foreign enterprises controlled by PRC enterprises. We are currently not regarded as a PRC tax resident enterprise. However, if we are regarded as a PRC tax resident enterprise by the PRC tax authorities, we would have to pay PRC EIT at a rate of 25% for our entire global income, which may materially and adversely affect our profits and hence our retained profit available for distribution to our Shareholders.

You may be subject to PRC withholding tax on dividends from us and PRC income tax on any gain realized on the transfer of our Shares.

Under the EIT law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the PRC and your jurisdiction of residence that provides otherwise, PRC withholding tax at a rate of 10% is normally applicable to dividends from a PRC source 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 but whose relevant income is not effectively connected with the establishment or place of business. Any gain realized on the transfer of shares by such investors is generally subject to a 10% PRC income tax if such gain is regarded as income derived from sources within China.

Under PRC Individual Income Tax Law (《中華人民共和國個人所得税法》) and its implementation rules, 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 realized by such investors on the transfer of shares are generally subject to PRC income tax at a rate of 20% for individuals. Any PRC tax may be reduced or exempted under applicable tax treaties or similar arrangements.

If we are treated as a PRC resident enterprise as described under "— We may be deemed to be a PRC tax resident enterprise under the EIT Law, which may materially and adversely affect our profitability and the value of your investments," dividends we pay with respect to our Shares, or the gain realized from the transfer of our Shares, may be treated as income derived from sources within China and as a result be subject to the PRC income taxes described above. If PRC income tax is imposed on gains realized 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.

Fluctuations in exchange rates could result in foreign currency exchange losses.

The value of the RMB against the Hong Kong dollar, the U.S. dollar and other currencies fluctuates, is subject to changes resulting from the PRC government's policies and depends to a large extent on domestic and international economic and political developments as well as supply and demand in the local market. It is difficult to predict how market forces or government policies may impact the exchange rate between the RMB and the Hong Kong dollar, the U.S. dollar or other currencies in the future. In addition, the PBOC regularly intervenes in the foreign exchange market to limit fluctuations in RMB exchange rates and achieve policy goals.

The proceeds from the [**REDACTED**] will be received in Hong Kong dollars. As a result, any appreciation of the RMB against the Hong Kong dollar may result in the decrease in the value of our proceeds from the [**REDACTED**]. Conversely, any depreciation of the RMB may adversely affect the value of, and any dividends payable on, the Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. All of these factors could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, our Shares in foreign currency terms.

The PRC government's control of foreign currency conversion and restrictions on the remittance of RMB out of the PRC may limit our foreign exchange transactions and our ability to pay dividends and meet other obligations, and affect the value of your investment.

The PRC government imposes controls on the convertibility of the RMB into foreign currencies and, in certain cases, the remittance of currency out of China. We receive substantially all of our revenue in RMB. We may convert a portion of our revenue into other currencies to meet our foreign currency obligations, such as payments of dividends declared in respect of our Shares, if any. Shortage in the availability of foreign currency may restrict the ability of our PRC subsidiaries to remit sufficient foreign currency out of China, or otherwise satisfy their foreign currency denominated obligations.

Under existing PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the SAFE, by complying with certain procedural requirements. However, approval from or registration with appropriate governmental authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies.

In light of the flood of capital outflows of China in 2016 due to the weakening of the RMB, the PRC government has imposed more restrictive foreign exchange policies and stepped up scrutiny of major outbound capital movements. More restrictions and substantial vetting process are put in place by SAFE to regulate cross-border transactions falling under the capital account. The PRC government may at its discretion further restrict access to foreign currencies in the future for current account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders.

The heightened scrutiny over acquisitions from the PRC tax authorities may have a material and adverse impact on our business, acquisition or restructuring strategies or the value of your investment in us.

The SAT promulgated several rules and notices to tighten the scrutiny over acquisitions in recent years. On February 3, 2015, the SAT issued the "Public Announcement on Several 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》) ("**Circular 7**"), which was partially abolished by "Announcement on Issues concerning the Withholding of Enterprise Income Tax at Source on Non-Resident Enterprises"(《關於非居民企業所得稅源泉扣繳有關問題的公告》) ("**Circular 37**") and "Decision of the State Administration of Taxation on Issuing the Catalogues of Tax Departmental Rules and Tax Regulatory Documents Which Are Invalidated and Repealed" (《國家稅務總局關於公佈失效廢止的稅務部門規章和稅收規範性文件目錄的決定》) ("**Circular 42**"). Circular 7 provided comprehensive guidelines relating to, and also heightened 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**").

For example, Circular 7 specifies that the PRC tax authorities are entitled to reclassify the nature of an indirect transfer of PRC Taxable Assets, when a non-resident enterprise transfers PRC Taxable Assets indirectly by disposing of equity interests in an overseas holding company directly or indirectly holding such PRC Taxable Assets, by disregarding the existence of such overseas holding company and considering the transaction to be 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.

Except as provided in Circular 7, transfers of Chinese taxable property under the following circumstances shall be automatically deemed as having no reasonable commercial purpose, and are subject to PRC enterprise income tax: (i) more than 75% of the value of the overseas enterprise is directly or indirectly from Chinese taxable properties; (ii) more than 90% of the total assets (cash excluded) of the overseas enterprise are directly or indirectly composed of investment in China at any time during the year prior to the indirect transfer of Chinese taxable property, or more than 90% of the income of the overseas enterprise is directly or indirectly from China during the year prior to the indirect transfer of Chinese taxable property; (iii) the overseas enterprise and its subsidiaries directly or indirectly hold Chinese taxable property and have registered with the relevant authorities in the host countries (regions) in order to meet the local legal requirements in relation to organization forms, yet prove to be inadequate in their ability to perform their intended functions and withstand risks as their alleged organization forms suggest; or (iv) the income tax from the indirect transfer of Chinese taxable property payable abroad is lower than the income tax in China that may be imposed on the direct transfer of such PRC Taxable Assets.

Although Circular 7 contains certain exemptions (including, (i) where a non-resident enterprise derives income from the indirect transfer of PRC Taxable Assets by acquiring and selling shares of a listed overseas holding company which holds such PRC Taxable Assets on a public market; and (ii) where there is an indirect transfer of PRC Taxable Assets, but if the non-resident enterprise had directly held and disposed of such PRC Taxable Assets, the income from the transfer would have been exempted from enterprise income tax in the PRC under an applicable tax treaty or arrangement), it remains unclear whether any exemptions under Circular 7 will be applicable to the transfer of our Shares or to any future acquisition by us outside of the PRC involving PRC Taxable Assets, or whether the PRC tax authorities will reclassify such transaction by

applying Circular 7. Therefore, the PRC tax authorities may deem any transfer of our Shares by our Shareholders that are non-resident enterprises, or any future acquisition by us outside of the PRC involving PRC Taxable Assets, to be subject to the foregoing regulations, which may subject our Shareholders or us to additional PRC tax reporting obligations or tax liabilities.

Provisions of Circular 7, which impose PRC tax liabilities and reporting obligations, do not apply to "a non-resident enterprise acquiring and disposing of the equity interests of the same offshore listed company in a public market" (the "**Public Market Safe Harbor**"). In general, transfers of the Shares by Shareholders on the Stock Exchange or other public markets would not be subject to the PRC tax liabilities and reporting obligations imposed under the Circular 7 if the transfers fall under the Public Market Safe Harbor. As stated in the section headed "Information about this Document and the [**REDACTED**]", potential investors should consult their professional advisors if they are in any doubt as to the tax implications of subscribing for, purchasing, holding, disposing of and dealing in the Shares.

We may be subject to penalties, including restrictions on our ability to inject capital into our PRC subsidiaries and our PRC subsidiaries' ability to distribute profits to us, if our PRC resident Shareholders or beneficial owners fail to comply with relevant PRC foreign exchange regulations.

The SAFE has promulgated several regulations that require PRC residents and PRC corporate entities to register with and obtain approval from local counterparts of the SAFE in connection with their direct or indirect offshore investment activities. The "Circular on Relevant Issues Relating to Domestic Resident's Investment and Financing and Roundtrip Investment through Special Purpose Vehicles" (《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》) ("**SAFE Circular 37**") was promulgated by the SAFE in July 2014 and requires PRC residents or entities to register with SAFE or its local counterparts in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. Pursuant to the 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 **"SAFE Circular 13**"), which was promulgated by the SAFE in February 2015, the aforesaid registration shall be directly reviewed and handled by qualified banks in accordance with the SAFE Circular 13, and SAFE and its branches shall perform indirect regulation over the foreign exchange registration via qualified banks. These regulations apply to our Shareholders who are PRC residents and may apply to any offshore acquisitions that we make in the future.

Under these foreign exchange regulations, PRC residents who make, or have previously made, prior to the implementation of these foreign exchange regulations, direct or indirect investments in offshore companies are required to register those investments. In addition, any PRC resident who is a direct or indirect shareholder of an offshore company is required to update the previously filed registration with the qualified bank, with respect to that offshore company, to reflect any material change involving its round-trip investment, capital variation, such as an increase or decrease in capital, transfer or swap of shares, merger or division. If any PRC shareholder fails to make the

required registration or update the previously filed registration, the PRC subsidiary of that offshore parent company may be restricted from distributing their profits and the proceeds from any reduction in capital, share transfer or liquidation to their offshore parent company, and the offshore parent company may also be restricted from injecting additional capital into its PRC subsidiary. Moreover, failure to comply with the various foreign exchange registration requirements described above could result in liability under PRC laws for evasion of applicable foreign exchange restrictions, including (i) the requirement by the SAFE to return the foreign exchange remitted overseas or into the PRC within a period of time specified by the SAFE, with a fine of up to 30% of the total amount of foreign exchange remitted overseas or into the PRC and deemed to have been evasive or illegal and (ii) in circumstances involving serious violations, a fine of no less than 30% of and up to the total amount of remitted foreign exchange deemed evasive or illegal.

We have requested PRC residents that to our knowledge hold direct or indirect interest in our Company to make the necessary applications, filings and amendments as required by applicable foreign exchange regulations. Each of our individual beneficial owners who is required to complete the registration under SAFE Circular 37 has duly completed the foreign exchange registrations in relation to their offshore investments as PRC residents. However, there can be no assurance that the subsequent amendment of registration, when required, can be successfully completed in a timely manner. Failure by any such Shareholders to comply with Circular 37 or other related regulations could subject us to fines or legal sanctions, restrict our investment activities in the PRC and overseas or cross-border investment activities, limit our subsidiaries' ability to make distributions, pay dividends or other payments to us or affect our ownership structure, which could adversely affect our business and prospects.

As there is uncertainty concerning the reconciliation of these foreign exchange regulations with other approval requirements, it is unclear how these regulations, and any future regulation concerning offshore or cross-border transactions, will be interpreted, amended and implemented by the relevant governmental authorities. We cannot predict how these regulations will affect our business operations or future strategy. For example, we may be subject to a more stringent review and approval process with respect to our foreign exchange activities, such as remittance of dividends and foreign-currency-denominated borrowings, which may materially and adversely affect our results of operations and financial condition. In addition, if we decide to acquire a PRC domestic company, we cannot assure you that we or the owners of such company, as the case may be, will be able to obtain the necessary approvals or complete the necessary filings and registrations required by the foreign exchange regulations. This may restrict our ability to implement our acquisition strategy and could materially and adversely affect our business and prospects.

Failure to comply with PRC regulations regarding the registration requirements for share option plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

In February 2012, SAFE promulgated the "Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plans of Overseas Publicly-Listed Companies" (《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》) ("**SAFE Circular 7**"), replacing the previous rules issued by SAFE in March 2007. Under the SAFE Circular 7 and other relevant rules and regulations, PRC residents who participate in a stock incentive plan in an overseas publicly listed company are required to register with SAFE or its local counterparts and complete certain other procedures. Participants of a stock incentive plan who are PRC residents must retain a qualified PRC agent, which could be a PRC subsidiary of the overseas publicly listed company or another qualified institution selected by the PRC subsidiary, to conduct the SAFE registration and other procedures with respect to the stock incentive plan on behalf of its participants. The participants must also retain an overseas entrusted institution to handle matters in connection with their exercise of stock options, the purchase and sale of corresponding stocks or interests and fund transfers. In addition, the PRC agent is required to amend the SAFE registration with respect to the stock incentive plan if there is any material change to the stock incentive plan, the PRC agent or the overseas entrusted institution or other material changes. Also, SAFE Circular 7 stipulates that PRC residents who participate in a share incentive plan of an overseas non-publicly-listed special purpose company may register with SAFE or its local counterparts before they exercise the share options. We and our PRC employees who have been granted share options will be subject to these regulations upon the completion of this [**REDACTED**]. Failure of our PRC share option holders to complete their SAFE registrations may subject these PRC residents to fines of up to RMB300,000 for entities and up to RMB50,000 for individuals, and legal sanctions and may also limit our ability to contribute additional capital into our PRC subsidiaries, limit our PRC subsidiaries' ability to distribute dividends to us, or otherwise materially and adversely affect our business.

The SAT has also issued relevant rules and regulations concerning employee share incentives. Under these rules and regulations, our employees working in the PRC will be subject to PRC individual income tax upon exercise of the share options. Our PRC subsidiaries have obligations to file documents with respect to the granted share options with relevant tax authorities and to withhold individual income taxes for their employees upon exercise of the share options. If our employees fail to pay or we fail to withhold their individual income taxes according to relevant rules and regulations, we may face sanctions imposed by the competent governmental authorities.

The legal system in the PRC has inherent uncertainties that could limit the legal protections available to our Shareholders.

The PRC legal system is based on written statutes and their interpretation by the Supreme People's Court of the PRC and may not be as comprehensive or developed as that of other jurisdictions. Prior court decisions may be cited for reference but have limited precedential value. Accordingly, the outcome of dispute resolutions may not be consistent or predictable.

Although efforts have been made by the PRC Government to enhance protection of foreign investment in the PRC, the PRC has not yet developed a fully integrated legal system. Newly enacted laws and regulations may not sufficiently cover all aspects of economic activities in the PRC and there is much uncertainty in their application, interpretation and enforcement. Furthermore, the PRC legal system is partly based on government policies and administrative rules that may take effect retrospectively. As a result, we may not be aware of our violations of certain policies or rules in a timely manner.

The legal protection available to us under the PRC laws, rules and regulations may be limited. Any litigation or regulatory enforcement action in the PRC may be protracted, which may result in the diversion of our resources and management attention. In addition, the outcome of dispute resolutions may not be consistent or predictable and it may be difficult to enforce judgments and arbitration awards in the PRC.

These uncertainties relating to the interpretation, implementation and enforcement of the PRC laws and regulations and a system of jurisprudence that gives only limited precedential value to prior court decisions can affect the legal remedies and protections available to you, and may adversely affect the value of your investment.

You may experience difficulties in effecting service of legal process and enforcing judgments or bringing original actions in the PRC or Hong Kong based on foreign laws against us and our Directors and management.

We are an exempted company incorporated in the Cayman Islands and substantially all of our assets are located in China and substantially all of our current operations are conducted in China as well. In addition, all of our current Directors and officers are nationals and residents of China and substantially all of the assets of these persons are located in China. It may not be possible for investors to effect service of process upon us or those persons in the PRC for disputes brought in courts outside the PRC. The PRC has not entered into treaties or arrangements providing for the recognition and enforcement of judgments made by courts of most other jurisdictions. On July 14, 2006, Hong Kong and the PRC entered into the "Arrangement on Reciprocal Recognition and Enforcement of Judgments 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 "**Arrangement**"), pursuant to which a party with an enforceable final court judgment rendered by any designated PRC court or any designated Hong Kong court requiring payment of money in a civil and commercial case according to a written choice of court agreement, may apply for recognition and enforcement of the judgment in the relevant PRC court or Hong Kong court. A written choice of court agreement is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a PRC court is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it may not be possible to enforce a judgment rendered by a Hong Kong court in the PRC if the parties in the dispute did not agree to enter into a choice of court agreement in writing. As a result, it may be difficult or impossible for investors to effect service of process against certain of our assets or Directors in the PRC in order to seek recognition and enforcement of foreign judgments in the PRC.

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for our Shares.

Prior to completion of the [**REDACTED**], there has been no public market for our Shares. There can be no guarantee that an active trading market for our Shares will develop or be sustained after completion of the [**REDACTED**]. The [**REDACTED**] is the

result of negotiations between our Company and the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]), which may not be indicative of the price at which our Shares will be [**REDACTED**] following completion of the [**REDACTED**]. The market price of our Shares may drop below the [**REDACTED**] at any time after completion of the [**REDACTED**].

The [REDACTED] price of our Shares may be volatile, which could result in substantial losses to you.

The [**REDACTED**] price of our Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, the PRC, the United States and elsewhere in the world. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in the PRC that have listed their securities in Hong Kong may affect the volatility in the price of and [**REDACTED**] volumes for our Shares. A number of PRC-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. Some of these companies have experienced significant volatility, including significant price declines after their initial public offerings. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards PRC-based companies listed in Hong Kong and consequently may impact the [**REDACTED**] performance of our Shares. These broad market and industry factors may significantly affect the market price and volatility of our Shares, regardless of our actual operating performance.

You will incur immediate and substantial dilution and may experience further dilution in the future.

As the [**REDACTED**] of our Shares is higher than the net tangible book value per Share of our Shares immediately prior to the [**REDACTED**], purchasers of our Shares in the [**REDACTED**] will experience an immediate dilution in pro forma net tangible book value. If we issue additional Shares in the future, purchasers of our Shares in the [**REDACTED**] may experience further dilution in their shareholding percentage.

The actual or perceived sale or availability for sale of substantial amounts of our Shares, especially by our Directors, executive officers and Controlling Shareholders, could adversely affect the market price of our Shares.

Future sales of a substantial number of our Shares, especially by our Directors, executive officers and Controlling Shareholders, or the perception or anticipation of such sales, could negatively impact the [**REDACTED**] of our Shares in Hong Kong and our ability to raise equity capital in the future at a time and price that we deem appropriate.

The Shares held by our Controlling Shareholders are subject to certain lock-up periods beginning on the date on which [**REDACTED**] in our Shares commences on the Stock Exchange. While we currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any Shares they may own now or in the future.

There is no assurance if and when we will pay dividends in the future.

Distribution of dividends will be at the discretion of our Board and subject to Shareholders' approval. A decision to declare or pay dividends and the amount of such dividends will depend on our future operations and earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors that our Directors consider relevant. As a result, there can be no assurance whether, when and in what manner we will pay dividends in the future.

Since there may be a gap of several Business Days between pricing and [REDACTED] of our Shares, holders of our Shares are subject to the risk that the price of our Shares could fall during the period before [REDACTED] of our Shares begins.

The [**REDACTED**] of our Shares is expected to be determined on the [**REDACTED**]. However, our Shares will not commence [**REDACTED**] on the Stock Exchange until they are delivered, which is expected to be several Business Days after the [**REDACTED**]. As a result, investors may not be able to sell or otherwise deal in our Shares during that period. Accordingly, holders of our Shares are subject to the risk that the price of our Shares could fall before [**REDACTED**] begins as a result of adverse market conditions or other adverse developments that could occur between the time of sale and the time [**REDACTED**] begins.

The laws of the Cayman Islands relating to the protection of the interests of minority shareholders may be different from those in Hong Kong.

Our corporate affairs are governed by the Articles of Association, the Cayman Islands Companies Act and the common law of the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority shareholders may differ in some respects from those established under statutes or judicial precedents in existence in Hong Kong. This means that the remedies available to our minority Shareholders may be different from those available under the laws of Hong Kong or other jurisdictions. A summary of the constitution of our Company and the Cayman Islands Companies Act is set out in Appendix III to this document.

Facts and statistics in this document may come from various sources and may not be fully reliable.

Some of the facts and statistics in this document are derived from various publications of governmental agencies or publicly available sources and obtained during communications with various government agencies or Independent Third Parties that our Directors believe are reliable. However, our Directors cannot guarantee the quality or reliability of such materials. Our Directors believe that the sources of the information are appropriate and have taken reasonable care in extracting and reproducing such information. They do not believe that such information is false or misleading in any material aspect or that any material fact has been omitted that would render such information false or misleading. The information has not been independently verified by our Group, the Sole Sponsor or any other parties involved in the [**REDACTED**] and no representation is given as to its accuracy or completeness. Due to the possibly flawed or

ineffective sampling or discrepancies between published information and market practices or other reasons, such facts and statistics maybe inaccurate or may not be comparable to official statistics. You should not place undue reliance on them. You should consider how much weight or importance such facts or statistics carry and should not place undue reliance on them.

Prospective investors should read the entire document carefully and are strongly cautioned against placing any reliance on the information in any press article or other media coverage which contains information not being disclosed or which is inconsistent with the information included in this document.

You are strongly advised to read the entire document carefully and are cautioned against placing any reliance on the information in any press article or any other media coverage which contains information not disclosed or not consistent with the information included in this document.

Prior to the completion of the [**REDACTED**], there may be press and media coverage regarding our Group and the [**REDACTED**]. Our Directors would like to emphasize to prospective investors that we do not accept any responsibility for the accuracy or completeness of such information and such information is not sourced from or authorized by our Directors or our management team. Our Directors make no representation as to the appropriateness, accuracy, completeness and reliability of any information or the fairness or appropriateness of any forecast, view or opinion expressed by the press or other media regarding our Group or our Shares. In making decisions as to whether to invest in our Shares, prospective investors should rely only on the financial, operational and other information included in this document.

In preparation for the [**REDACTED**], we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

WAIVER PURSUANT TO RULE 8.12 OF THE LISTING RULES

Pursuant to Rule 8.12 of the Listing Rules, a new applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong. This normally means that at least two of its executive directors to be ordinarily residents in Hong Kong. However, our Company would not be able to satisfy the requirements under Rule 8.12 of the Listing Rules due to the following reasons:

(a) the principal business and operations of our Company has been and will continue to be based, managed and conducted outside Hong Kong;

(b) none of our executive Directors has been or will be ordinarily resident in Hong Kong;

(c) our Directors consider that it would be practically difficult, unduly burdensome and not commercially feasible for our Company to appoint Hong Kong residents as executive Directors or to relocate any of the existing executive Directors to Hong Kong merely for the purpose of complying with Rule 8.12 of the Listing Rules.

Accordingly, we do not and in the foreseeable future will not, have sufficient management presence in Hong Kong.

In this regard, we have applied to the Stock Exchange for and the Stock Exchange [has granted] us a waiver, from strict compliance with Rule 8.12 of the Listing Rules. In order to ensure that regular communication is effectively maintained between the Stock Exchange and our Company, we will put in place the following measures:

(a) we have appointed Mr. Ma, one of our executive Directors and Mr. Chan Ka Yin, our company secretary, as our authorized representatives pursuant to Rule 3.05 of the Listing Rules, and they will serve as our principal channel of communication with the Stock Exchange and ensure that our Group complies with the Listing Rules at all times. Mr. Chan Ka Yin is ordinarily resident in Hong Kong. Our authorized representatives will be readily contactable by the Stock Exchange, and if required, will be able to meet with the Stock Exchange to discuss any matters in relation to the Company in short notice;

(b) we will keep the Stock Exchange up to date in respect of any change to the contact details of our authorized representatives;

(c) all Directors will provide their contact details, including mobile phone numbers, office phone numbers, email addresses and fax numbers to the Stock Exchange and our authorized representatives. Each of the authorized representatives has means to contact all Directors (including our independent non-executive Directors) promptly at all times as and when the Stock

Exchange wishes to contact our Directors for any reason. All of our Directors who are not ordinarily residents in Hong Kong have confirmed that they possess valid travel documents or will be able to apply for valid travel documents to travel to Hong Kong and will be able to meet the Stock Exchange within a reasonable period;

(d) we have appointed CMBC International Capital Limited as the compliance adviser of our Company, pursuant to Rule 3A.19 of the Listing Rules, to act as our Company's additional channel of communication with the Stock Exchange from the [**REDACTED**] to the date on which our Company distributes our financial results for the first full financial year immediately after the [**REDACTED**] in accordance with Rule 13.46 of the Listing Rules; and

(e) meetings between the Stock Exchange and our Directors could be arranged through our authorized representatives or our compliance adviser or directly with our Directors within a reasonable time frame. Our Company will inform the Stock Exchange promptly in respect of any change in our authorized representatives and/or our compliance adviser.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Ma Xiaohui (馬曉輝先生) *(Chairman of our Board)*	No. 604, Door 2 A8, 328 North Shaoshan Road Yuhua, Changsha, PRC	Chinese
Mr. Peng Liang (彭亮先生) *(Chief executive officer)*	No. 502, Unit 2 No. 5 Building, No. 4 Yuan Laiguangying West Road Chaoyang District Beijing, PRC	Chinese
Ms. Luo Xiaomei (羅小妹女士) *(Chief financial officer)*	No. 1408, Block B, No. 1 Yuan, South Muxidi Lane Xicheng District Beijing, PRC	Chinese
Independent non-executive Directors		
Mr. Zhang Peiao (張培鰲先生)	No. 85, Lane 288, Yaxiang Road Nanxiang Town Jiading District Shanghai PRC	Chinese
Ms. Lin Ting (林霆女士)	No. 102, Lane 275 Zhenning Road Changning District Shanghai, PRC	Chinese
Mr. Wang Wenping (王文平先生)	Flat 302, No. 3 Lane 1666, Changning Road Changning District Shanghai, PRC	Chinese

For further details about our Directors, see the section headed "Directors and Senior Management " in this document.

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor	**CMBC International Capital Limited** 45/F, One Exchange Square 8 Connaught Place Central Hong Kong
Financial Adviser	**SBI China Capital Hong Kong Securities Limited** 4/F, Henley Building No. 5 Queen's Road Central Hong Kong

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Legal advisors to our Company	*As to Hong Kong laws* **Chungs Lawyers** **in association with DeHeng Law Offices** 28th Floor, Henley Building 5 Queen's Road Central, Central Hong Kong *As to PRC laws* **Global Law Office** 15/F & 20/F Tower 1, China Central Place No. 81 Jianguo Road Chaoyang District Beijing, PRC *As to Cayman Islands law* **Appleby** Suites 4201-03 &12 42/F, One Island East Taikoo Place 18 Westlands Road Quarry Bay Hong Kong
Legal Advisors to the Sole Sponsor and the [**REDACTED**]	*As to Hong Kong and U.S. laws* **Herbert Smith Freehills** 23/F Gloucester Tower 15 Queen's Road Central Hong Kong *As to PRC laws* **Jingtian & Gongcheng** 34/F, Tower 3, China Central Place 77 Jianguo Road, Chaoyang District Beijing, PRC

Auditor and reporting accountant	**PricewaterhouseCoopers** *Certified Public Accountants and Registered Public Interest Entity Auditor* 22/F, Prince's Building Central, Hong Kong
Industry consultant	**Shanghai iResearch Co., Ltd.** 3rd Floor, Tower B Phase II SOHO 9 Guanghua Road Chaoyang District, Beijing, PRC

[REDACTED]

Registered office	P. O. Box 31119 Grand Pavilion, Hibiscus Way 802 West Bay Road Grand Cayman, KY1 – 1205 Cayman Islands
Principal place of business and headquarters in China	4/F, Building G Dongfengdebi WE AI Innovative Park 8 Dongfeng South Road, Chaoyang District Beijing, PRC, 100050
Place of business in Hong Kong	28/F., Henley Building No. 5 Queen's Road Central Central Hong Kong
Company's website	https://www.ujumedia.com/ *(The contents on this website do not form part of this document)*
Company secretary	**Mr. Chan Ka Yin (陳家賢先生)** ***(HKICPA, ACCA)*** Flat D, 40/F, Block 10, Park Central 9 Tong Tak Street Tseung Kwan O New Territories Hong Kong
Authorized representatives (for the purpose of the Listing Rules)	**Mr. Ma Xiaohui (馬曉輝先生)** No. 604, Door 2 A8, 328 North Shaoshan Road Yuhua, Changsha PRC **Mr. Chan Ka Yin (陳家賢先生)** Flat D, 40/F, Block 10, Park Central 9 Tong Tak Street Tseung Kwan O New Territories Hong Kong
Audit Committee	**Mr. Wang Wenping (王文平先生)** *(Chairperson)* **Mr. Zhang Peiao (張培鰲先生)** **Ms. Lin Ting (林霆女士)**

Remuneration Committee	**Ms. Lin Ting (林霆女士)** *(Chairperson)* **Mr. Zhang Peiao (張培鰲先生)** **Mr. Wang Wenping (王文平先生)**
Nomination Committee	**Mr. Ma Xiaohui (馬曉輝先生)** *(Chairperson)* **Mr. Zhang Peiao (張培鰲先生)** **Ms. Lin Ting (林霆女士)** **Mr. Wang Wenping (王文平先生)**
Compliance adviser	**CMBC International Capital Limited** 45/F, One Exchange Square 8 Connaught Place Central Hong Kong

[REDACTED]

Principal banks	**Shanghai Pudong Development Bank (Beijing Sanlitun Branch)** 1/F, Zhongyu Building No. 6 Gongren Tiyuchang North Road A Chaoyang District Beijing **Standard Chartered Bank (Hong Kong) Limited** 15/F, Standard Chartered Tower 388 Kwun Tong Road Hong Kong

*Certain information and statistics set out in this section and elsewhere in this document are derived from various government and other publicly available sources and from the market research report prepared by iResearch. iResearch is an independent industry consultant engaged by us, and we commissioned iResearch to prepare a market research report (the "**iResearch Report**"). The information extracted from the iResearch Report should not be considered to be a basis for investments in the* **[REDACTED]** *or an opinion of iResearch with respect to the value of any securities or the advisability of investing in our Company. We believe that the sources of such information are appropriate for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false in any material respect or misleading or that any fact has been omitted that would render such information false in any material respect or misleading. No independent verification has been carried out on such information by our Company or any other parties involved in the* **[REDACTED]** *(excluding iResearch), or their respective directors, officers or representatives, and no representation is given as to the accuracy or completeness of such information.*

Accordingly, you should not place undue reliance on such information. For discussions of risks relating to our industry, please see "Risk Factors — Risks Relating to Our Business and Industry."

SOURCE OF INFORMATION

Founded in 2002, iResearch is an independent provider of online user data and consumer insights in China. Headquartered in Beijing and Shanghai, iResearch has a management team with over 400 employees worldwide and has accumulated extensive experience in researching and monitoring the development of the internet industry in the PRC.

We have agreed to pay a commission fee of RMB580,000 for the iResearch Report. Data for the iResearch Report on market size and online users is mainly obtained through interviews with industry participants, marketing surveys, secondary sources and other research methods. Due to the limitations of such research methods, sample and size and scope of data collection, such data may not precisely reflect actual market conditions.

iResearch has prepared the iResearch Report on the assumptions that (i) the global and China's social, economic and political environments will remain stable during the period from 2015 to 2025, which will ensure a sustainable and steady development of online marketing industry; (ii) the data quoted from authoritative agencies remains unchanged; and (iii) the revenue-sharing arrangements among the market participants follow market standards. iResearch believes that the basic assumptions used in preparing the iResearch Report, including those used to make future projections, are correct, reasonable and not misleading. iResearch has independently analyzed the information obtained from its research, but the findings contained in the iResearch Report largely rely on the accuracy of the information collected.

iResearch had also fully taken account of the mixed impacts brought by the COVID-19 on online marketing market into consideration in the assumptions regarding the market sizing forecast, including the following aspects:

(i) advertiser customers in industries that focus on offline consumptions such as tourism, entertainment and catering have reduced their spending on marketing solutions due to the restraining orders implemented by local authorities; while advertiser customers in industries such as online games and online education have increased their spending on marketing solutions due to their fast expanding business; and

(ii) some advertiser customers tend to adopt defensive strategies and reduce their marketing budget due to operational pressure and market uncertainties brought by the COVID-19; while some advertiser customers have shifted their marketing budgets to online marketing channels from offline marketing channels to obtain the marketing opportunities when internet users are spending more time online.

iResearch is of the view that the recent outbreak of COVID-19 has not had any material adverse impact to the online marketing market, in particular, the online short video marketing market in China. This is primarily because: (i) since ordinary people have very limited outdoor activities during the outbreak of COVID-19, online industries, such as online education and e-commerce activities have experienced rapid growth, which in turn boosted advertiser customers' demands for online short video marketing; (ii) despite COVID-19, the market demand for many offline industries such as financial services industries remained unchanged. Meanwhile, advertiser customers have been reallocating their marketing budgets from offline to online industries to address the uncertainties brought by the restriction policies facing COVID-19, and further accelerated the development of online short video marketing market; and (iii) it is quite common for online short video marketing services providers to record lower revenue, profit or other key financial numbers in the first quarter of a year since it is the off-peak season for online short video marketing market. According to iResearch, though some advertiser customers reduced or delayed their marketing budget during the COVID-19, the overall online short video marketing market was not materially and adversely affected by the outbreak of COVID-19. On the contrary, the size of online short video marketing market in China is expected to increase to RMB272.3 billion in 2021 from RMB184.6 billion in 2020.

Except as otherwise noted, all of the data and forecasts contained in this section are derived from the iResearch Report. After making reasonable inquiries, our Directors confirm that there has been no adverse change in the market information presented in the iResearch Report since the date of its issuance which may materially qualify, contradict or impact the information in this section.

THE INTERNET MARKET IN CHINA

China's internet market, in particular the mobile internet market has been developing continuously in recent years. Though the growth rate is relatively lower than that in previous years, the overall internet penetration has grown steadily and is expected

to further grow in the future. According to China Internet Network Information Center ("**CNNIC**") and iResearch, China's population of internet users increased at a CAGR of 7.53% from 688 million in 2015 to 989 million in 2020, and is expected to increase further at a CAGR of 2.88% from 1,039 million in 2021 to 1,164 million in 2025. China's population of mobile internet users increased at a CAGR of 9.72% from 620 million in 2015 to 986 million in 2020, and is expected to increase at a CAGR of 2.91% from 1,036 million in 2021 to 1,162 million in 2025 according to the same sources. In 2020, the number of internet users in China reached 989 million with a penetration rate of 70.4%, while the number of mobile internet users was approximately 986 million, with a penetration rate of 70.2% according to CNNIC and iResearch. As people are placing increasing reliance on smart phones and other smart hardware, the penetration rate of mobile internet market is expected to further grow and provide a sound environment for the rapid growth of online marketing industry. In particular, according to CNNIC and iResearch, the daily average time mobile internet users spent online increased from 3.7 hours in 2015 to 4.0 hours in 2019, and is expected to continue to grow from 2020 to 2025, though at a lower growth rate. The large population of China's internet users and the increasing time spent online have created an enormous market for online marketing.

With the rapid development of mobile internet network infrastructure construction, the average mobile internet user traffic cost in China decreased rapidly at a CAGR of 45.9% from RMB86.0 per GB in 2015 to RMB4.0 per GB in 2020, and is expected to further decrease at a CAGR of 10.5% from RMB4.0 per GB in 2020 to RMB2.3 per GB in 2025 according to Ministry of Industry and Information Technology ("**MIIT**") and iResearch. As a result, the mobile internet traffic consumption in China increased rapidly at a CAGR of 108.5% from 4.2 billion GB in 2015 to 165.6 billion GB in 2020, and is expected to further grow at a CAGR of 51.3% from 165.6 billion GB in 2020 to 1,311.9 billion GB in 2025 according to CNNIC and iResearch.

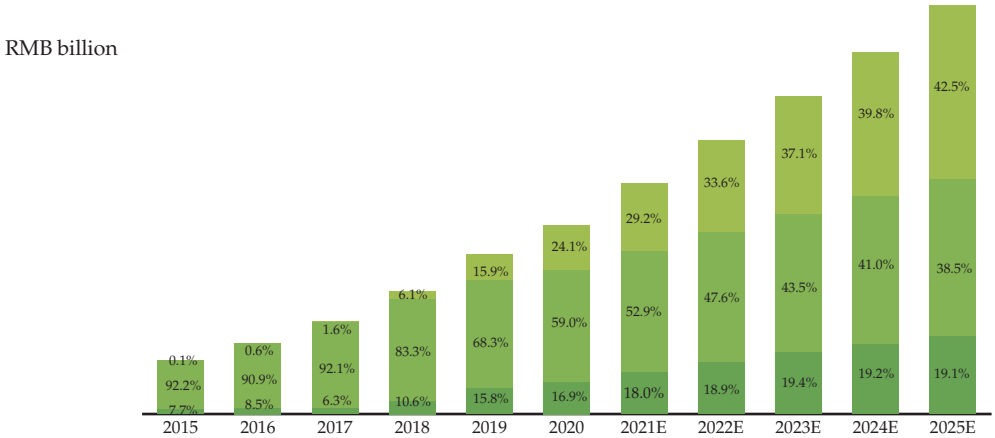
THE ONLINE MARKETING MARKET IN CHINA

The online marketing in China primarily comprises online short video marketing, text and image marketing and others. With the rapid development in business-to-business sectors and continuing optimization of marketing tools, the advertiser customers are increasingly shifting their focus to online marketing operation and content production from traditional forms of marketing. As a result, the market size of online marketing market is expected to exceed RMB1 trillion in 2022, though at a slower growth rate than previous years, according to iResearch.

Online marketing in China, as measured by total marketing gross billing, has grown rapidly from RMB218.5 billion in 2015 to RMB766.6 billion in 2020, and is expected to further grow at a CAGR of 16.7% from RMB766.6 billion in 2020 to RMB1,657.3 billion in 2025 according to iResearch. Among the various forms of online marketing solutions, text and image has been an important content format that can be widely displayed on multiple online media platforms. From 2015 to 2020, the total marketing gross billing from text and image marketing has always accounted for the largest proportion of the market size of online marketing market. According to iResearch, in terms of the percentage of the total marketing gross billing generated from online marketing market, text and image marketing market is expected to further grow steadily and continue to account for the largest proportion in China's online marketing industry by 2024.

Driven by the fast growth of online short video platforms and increasing popularity of online short video contents, China's online short video marketing market experienced a rapid growth in recent years. The market share of online short video marketing, in terms of the percentage of the market size of online marketing market, has grown significantly from 0.1% in 2015 to 24.1% in 2020. Due to the attractive, in-depth and immersive viewing experience brought by online short video content, online short video marketing market is expected to grow rapidly from 2020 to 2025. According to iResearch, the market share of online short video marketing market is expected to increase to 42.5% in 2025 from 24.1% in 2020.

The Structure of Online Marketing Market Size in China, 2015-2025E



	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E	2024E	2025E
Online short video marketing	0.2	1.8	6.0	30.2	102.5	184.6	272.3	372.7	477.3	583.7	704.3
Text and image marketing	201.5	262.2	346.5	413.6	441.6	452.1	494.1	528.1	560.5	601.1	637.3
Others (audio, live streaming, comprehensive)	16.7	24.5	23.8	52.7	102.3	129.8	167.9	209.3	250.0	281.5	315.7

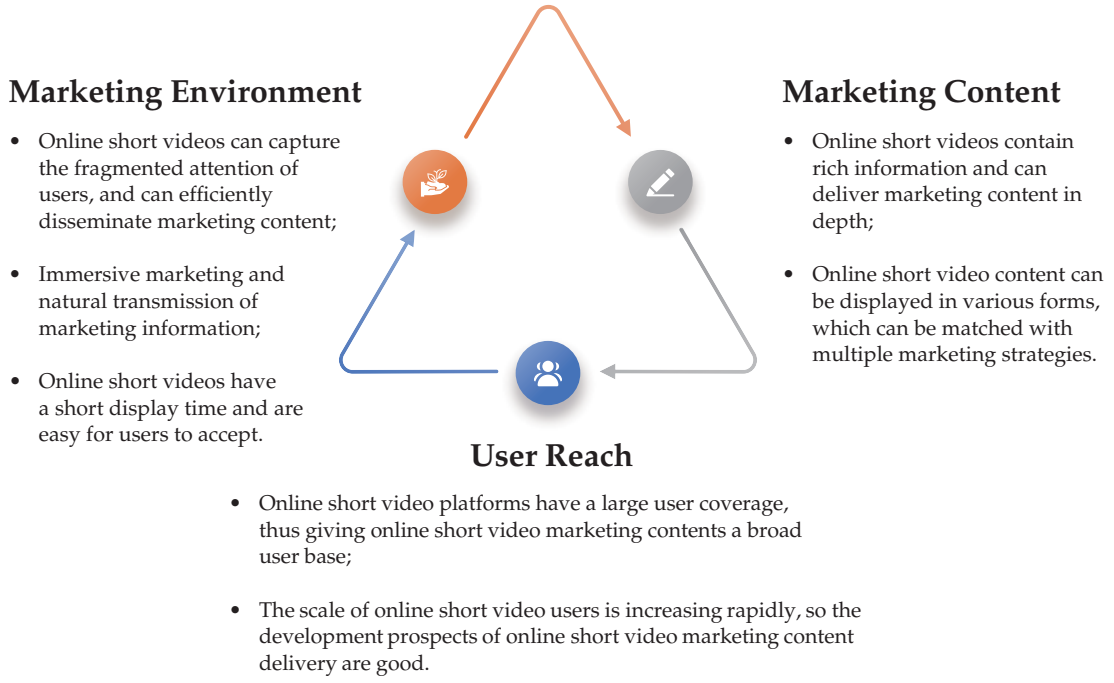
Source: iResearch.

THE ONLINE SHORT VIDEO MARKETING INDUSTRY IN CHINA

Overview

Compared to conventional forms of marketing solutions, online short video marketing has advantages in marketing environment, marketing content and user reach. To start with, online short videos can capture users' attention well and create an immersive marketing environment so that the marketing content can be delivered to users in depth and effectively. In addition, online short videos generally contain rich information and are able to deliver in-depth marketing information through diverse and attractive display forms, such as short stories, daily life narratives and celebrity recommendations, and thus effectively reducing users' resistance to marketing content. Finally, online short video marketing contents are mainly placed on China's fast-growing online short video platforms. According to iResearch, the daily average number of independent devices on China's online short video platforms has increased rapidly from 43 million in 2016 to 607 million in 2020, providing a large and rapid-growing user coverage and a broad user base for online short video marketing solutions.

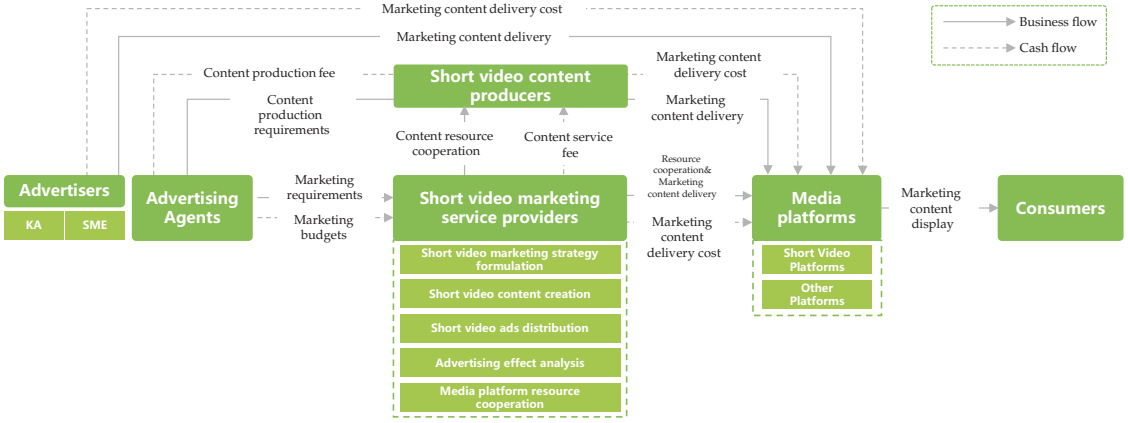
The chart below shows the development advantages of online short video marketing solutions:



Operation Process and Key Players in the Industry Chain

The following chart illustrates the operation process and key players in the online short video marketing industry chain:

Analysis of the Operation Process of China's Online Short Video Marketing Industry Chain in 2020



Source: iResearch.

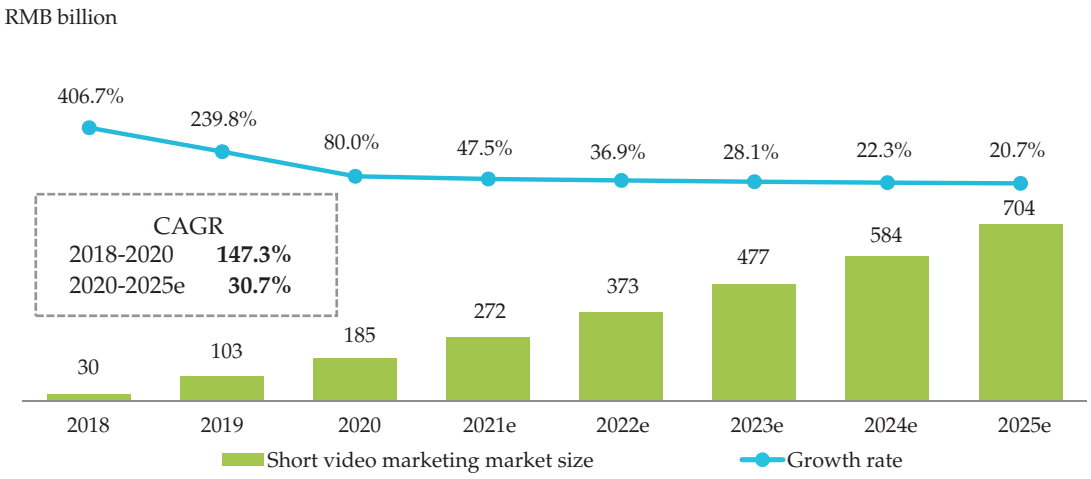
Key account advertisers and small-and-medium advertisers

Generally, online media platforms normally classify advertisers into two categories, namely key account advertisers and small-and-medium enterprises so as to better server both kinds of advertiser customers, addressing their diverse needs for different marketing solutions and services. Generally, key account advertisers refer to those advertisers with larger overall marketing budget. Compared to small-and-medium advertisers, key account advertisers usually have more diversified marketing needs and higher requirements on services scope, media source and services capabilities of marketing services providers. Additionally, key account advertisers primarily have a stable and longer marketing needs, enabling them to engage and cooperate with more marketing solutions providers. In view of the different needs of the different categories of advertisers, online media platforms normally grant differentiated licences or qualifications to online marketing solutions providers, so that the online marketing solutions providers with certain capacities or experiences can focus on the customers with corresponding demands. The online marketing solutions providers would in view of its business needs decide which kind of advertiser customers they would serve and apply the relevant licences accordingly.

Market Size

According to iResearch, the market size of online short video marketing market in China, in terms of the total online short video marketing gross billing, increased significantly at a CAGR of 147.3% from RMB30.2 billion in 2018 to approximately RMB184.6 billion in 2020. Due to the rapid development of online short video platforms, increasing popularity of online short video marketing solutions as well as the prevalence of internet mobile devices and upgraded information technology infrastructure, the online short video marketing market is expected to further grow at a CAGR of 30.7% from RMB184.6 billion in 2020 to RMB704.3 billion in 2025.

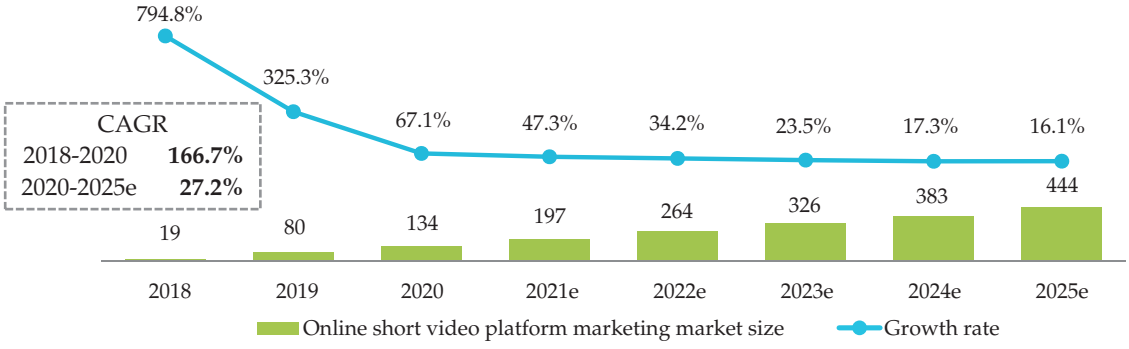
The Online Short Video Marketing Market Size in China, 2018-2025e



Source: iResearch.

The rapid growth of online short video platform has greatly promoted the rapid development of online short video marketing business. In particular, the continuous increase in the number of users of and duration of such users on online short video platforms has laid solid foundation for the expansions of online marketing activities on the online short video platforms, and will in turn attract more advertiser customers to place advertising budget thereon. According to iResearch, the size of online short video platform marketing market in China, in terms of total marketing gross billing, increased rapidly at an estimated CAGR of 166.7% from RMB18.8 billion in 2018 to approximately RMB133.6 billion in 2020. Meanwhile, with the scale-up of the user base and commercialization progress of online short video platforms as well as the continued release and exploration of marketing resources by online short video platforms, online short video platform marketing market is expected to further grow at a CAGR of 27.2% from RMB133.6 billion in 2020 to RMB444.2 billion in 2025.

The Online Short Video Platform Marketing Market Size in China, 2018-2025e



Source: iResearch.

The following tables illustrate the top five marketing service providers in China in terms of gross billing generated from online short video advertisements and advertisements placed on online short video platforms in 2020, respectively:

Top 5 Marketing Service Providers in China in terms of Gross Billing Generated from Online Short Video Advertisements in 2020*

Ranking	Company	Gross Billing (Billion RMB)	Market Share (%)	Background
1	Company A	13.9	7.5%	A private comprehensive online media and communication group, engaging primarily in online advertising, mass media, and marketing and planning, founded in 2014.
2	Company	5.5	3.0%	See "Business"
3	Company B	4.2	2.3%	An online targeted marketing solutions provider, providing one-stop marketing solutions, including strategy consulting, media buying, creative planning and performance optimization. Founded in 2009, it is a wholly-owned subsidiary of a public company listed on the Shanghai Stock Exchange.
4	Company C	4.1	2.2%	An agency company with mobile commercial marketing as its core business. Established in 2016, it has pioneered the commercialization of mobile terminal manufacturers in the industry.
5	Company D	3.8	2.1%	Founded in 2016, a one-stop integrated marketing service provider. It provides customers with network-wide integrated marketing, brand promotion solutions, and professional operation optimization services.

Source: *iResearch.*

Top 5 Marketing Service Providers in China in terms of Gross Billing Generated from Advertisements Placed on Online Short Video Platforms in 2020*

Ranking	Company	Gross Billing (Billion RMB)	Market Share (%)	Background
1	Company A	6.7	5.0%	A private comprehensive online media and communication group, engaging primarily in online advertising, mass media, and marketing and planning, founded in 2014.
2	Company	5.2	3.9%	See "Business"
3	Company E	3.9	2.9%	A marketing technology company that fully empowers enterprises' smart operations in the era of big data and social networks. The business segment includes marketing services (digital marketing, public relations, event management, etc.), digital advertising (mobile advertising, smart TV advertising, digital advertising). The service content covers the entire industry chain of marketing communications, as well as smart business services based on data technology. The service area basically covers major global markets.
4	Company C	3.5	2.6%	An agency company with mobile commercial marketing as its core business. Established in 2016, it has pioneered the commercialization of mobile terminal manufacturers in the industry.
5	Company B	3.4	2.5%	An online targeted marketing solutions provider, providing one-stop marketing solutions, including strategy consulting, media buying, creative planning and performance optimization. Founded in 2009, it is a wholly-owned subsidiary of a public company listed on the Shanghai Stock Exchange.

Source: *iResearch.*

**Note:* the calculation of gross billing includes the corresponding value-added taxes.

Key Drivers of Online Short Video Marketing Market in China

The online short video marketing market in China is expected to continue its growth and such expectation is determined by several key drivers as set out below:

- ***Recognition of the value of online short video marketing***. The high information density and flexible characteristics of online short video content are able to provide the advertiser customers an emerging and efficient form of marketing contents presentation in the era of information explosion and time fragmentation. It also offers an immersive viewing experience to final consumers, enabling them to understand the product information efficiently and effectively, and further stimulate their shopping desires.

- ***Commercialization of online short video platforms.*** The growth of online short video platforms has entered into a steady development phase and they are motivated to commercialize their products and services. The online short video platforms monetize their user traffic by offering ad inventories to advertisers, which brings immense business opportunities for the online short video marketing solutions providers.

- ***Improving delivery efficiency as a result of application of advanced technologies.*** The application of advanced technologies will also drive the future growth of online short video marketing market. For example, the widespread applications of 5G network and AI technologies are able to enable more immersive, scenario-based and interactive viewing experiences for online short video marketing contents, attract advertiser customers to deliver more accurate marketing contents to the final consumers, and eventually stimulate the shopping desires of final consumers.

Key Drivers of Online Short Video Platform Marketing Market in China

The online short video platform marketing market in China is expected to continue its growth and such expectation is determined by several key drivers as set out below:

- ***Number of users.*** The average DAUs (by number of independent devices) of online short videos APPs in China reached 607 million in 2020. The online short video platforms generally encompass a large user base and the marketing activities carried out on the online short video platform also have a wider audience base. The large spread of marketing content further highlights the marketing value of the online short video platforms.

- ***Construction of online short video platform commercial cooperation tools.*** With the advancement of the commercialization of online short video platforms, multiple online short video platforms have successively established content commercialization cooperation tools to achieve efficient management of content cooperation, and further promote the systematic, controllable and safe upgrade of industrial chain operations. The construction of content commercialization cooperation tools provides a guarantee for

advertisers and content producers to carry out online short video platform marketing activities, and also promotes a more healthy operation of the online short video platform marketing industry chain.

- ***Application of 5G technology.*** The widespread application of 5G technology substantially increase the loading speed of online short videos and provides the users with a sound and smooth online short video watching experiences. This will also provide users with a high-quality online short video platform browsing experience, and further promote the delivery efficiency of the marketing content on such online short video platforms.

Barriers to Entry of Online Short Video Marketing Market in China

New entrants of the online short video marketing market in China face the following entry barriers:

- ***Leading Online Short Video Platform Resources.*** Since China's online short video platform market is dominated by leading platforms, it is critical for online short video marketing services providers to establish deep cooperation with leading online short video platforms, so as to deliver better online marketing services to advertiser customers. This could lead to high entry barriers for potential competitors because first, the deep cooperation with leading online short video platforms can help online marketing service providers quickly follow the changes in the rules on marketing content delivery set by these platforms, enabling them to adjust and optimize their marketing strategies to best fit these updated rules. Second, the leading online short video platforms can help online short video marketing service providers to provide advertiser customers with a broad user base, so that the marketing content can be quickly delivered to as many final consumers as possible.

- ***Customer risk control system.*** The total number of advertiser customers is rapidly increasing with the continuous expansion of the online short video marketing business. It is therefore critical to online short video marketing services providers to understand their customers' payment capability and manage their billing periods accordingly. The establishment of the customer risk control system will help online short video marketing service providers to assess their customers' payment capabilities and realize sound customer payment management, reduce the online short video marketing service providers' operational risks and strengthen the barriers to competition for online short video marketing service providers.

- ***Service scope and capabilities.*** The advertiser customers generally have strong needs for marketing strategy formulation, marketing content production as well as marketing effect monitoring, besides the delivery of marketing content. Therefore, online short video marketing services providers with strong expertise in providing multiple types of marketing services will be better positioned to provide advertiser customers with efficient and one-stop services, and build high barriers to potential competitors.

Marketing Activities of E-commerce Advertisers in China's Online Short Video Marketing Industry

With their fast development in user coverage and rapid increase in viewer stickiness, some leading online short video platforms in China are now actively exploring opportunities and expanding e-commerce businesses, and started to operate their own online marketplace on their online short video platforms. If e-commerce advertisers open their own online stores on these leading short video platforms, then their marketing contents can now be directed to the corresponding landing pages of their outlets on these platform and directly lead to potential conversions. This has greatly changed marketing, where an increasing number of e-commerce marketing contents are now placed directly on these platforms, providing more business growth opportunities for leading online short video marketing solution providers. Leveraging on their proven records in online marketing solutions for e-commerce advertisers, those frontrunners in online short video platforms marketing business are able to enjoy a first-mover advantage with their strong connections with online media platforms, robust marketing content delivery and operation capabilities, as well as strong online short video marketing contents production capabilities.

Several key advantages of online short video marketing solutions for e-commerce advertisers in China are as set out below:

- ***A huge user base.*** Currently online short video platforms are the main channels for online short video marketing solutions. The large volume of users and high overall user activity on online short video platforms can provide e-commerce advertisers with good exposure to a wide range of audiences. Meanwhile, the user overlap between the general e-commerce platforms and the major short video platforms is relatively high, which helps to promote the precise reach of marketing content to target users precisely.

- ***Rich in content and flexibility.*** Compared to conventional forms of marketing solutions, online short videos are able to convey rich and concentrated marketing information in a short period of display time. The online short video marketing contents are also displayed in diverse and attractive forms of presentation, creating an immersive and interactive environment for target consumers to memorize more marketing information. As such, online short video marketing solutions can help e-commerce advertisers create attractive shopping scenarios, deliver more product information in multiple dimensions and achieve optimized marketing results with lower marketing costs.

- ***Easy access to e-commerce product site.*** Currently most online short video platforms and social media platforms allow online short video marketing solution providers to add links on their marketing contents, so that the consumers can be redirected to the product or event pages once they click the links. This creates a convenient interactive feature for e-commerce advertisers, allowing consumers to quickly take over the purchase demand after viewing the marketing content and thus improving the conversion efficiency of the marketing content.

- ***Sound fit with e-commerce scene.*** Since the online short video platforms are now expanding their e-commerce-related content and businesses, more and more users are browsing the online short video platforms with the awareness for their connections to the e-commerce scenes. This further enhances the social recognition of e-commerce marketing content and thus promotes the further development of online short video marketing solution business. Besides, popular streamers and online short video KOLs on these online short video platforms can effectively introduce the look and feel of the products to the end users through attractive online short videos or live streams.

- ***Potential in leading to direct conversions.*** With their fast development in user coverage and rapid increase in viewer stickiness, some leading online short video platforms in China are now actively exploring opportunities and expanding their business in e-commerce market, and started to operate their own online marketplaces based on their online short video platforms. If e-commerce advertiser customers open their own online stores on these leading online short video platforms, then their marketing contents placed on such platforms can now be directed to the corresponding landing pages of their outlets, which will directly lead to potential conversions.

Competitive Landscape

China's online short video marketing market and online marketing market have experienced rapid growth and attracted increasing number of marketing budgets in recent years. Meanwhile, since leading online short video platforms are now promoting e-commerce business on their platforms, it is expected that online short video marketing solutions providers with expertise in e-commerce marketing solutions and equipped with strong content production capacities are well positioned to achieve faster business growth in the future. Additionally, online marketing services providers with more premium media resources, stronger technical capabilities and efficient service capabilities are expected to better seize the development opportunities in the foreseeable future.

According to iResearch, we contributed to approximately 1.1% of the total marketing gross billing of China's online marketing market in 2020. According to the same source, we ranked the second largest online marketing service provider in China in terms of gross billing generated from online short video advertisements placed on online media platforms in 2020 with market share of approximately 3.0%[1]. We also ranked the second largest online marketing service provider in China in terms of gross billing generated from advertisements placed on online short video platforms in 2020 with market share of approximately 3.9%[1]. In addition, we ranked the largest online marketing service provider in China in terms of gross billing generated from advertisements placed by general e-commerce platform advertisers on online short video platforms in 2020 with market share of approximately 16.0%.

Note:

1 Both markets are sub-sectors of the PRC online marketing market.

Future Trends of Online Short Video Marketing Market in China

The online short video marketing market in China is expected to be influenced by the following trends:

- ***AI and 5G technologies.*** The rapid development of 5G network will further accelerate the uploading and downloading speeds of online short videos, provide internet users with a smoother viewing environment, and enable advertiser customers to integrate in-depth information into the marketing contents. Additionally, the utilization of AI technologies will enable online marketing services providers to produce and deliver online short video solutions more intelligently and efficiently. The use of AI algorithms will also help advertiser customers to precisely push the online short videos to final consumers and achieve maximized marketing results in a more effective and efficient manner.

- ***Marketing SaaS solutions.*** The application of online short video marketing SaaS solutions will relieve online marketing solutions providers from communication logistics, ensure real-time online sharing of key information and further promote the efficiency in the production and delivery of online marketing solutions. The marketing SaaS solutions can also assist online short video marketing services providers to capitalize their data and complete a closed data loop to optimize their content production and customer communication process. Additionally, it will also help online short video marketing services providers to improve their customer experiences, by connecting more market participants to transact at the platforms, providing precise and insightful marketing strategies and delivering customized marketing solutions tailored-made to address the diversified marketing needs of their customers.

- ***Leading and high-quality media platform resources.*** With the increasing concentration of China's online media platforms, it will be critical for online short video marketing solution providers to establish business relationships with high-quality media resources with larger final user base and higher final user stickiness. This will allow service providers to deliver more efficient and effective solutions and encourage advertiser customers to place more marketing budgets and support their sustainable business development in the future.

LAWS AND REGULATIONS IN THE PRC

Applicable laws and regulations which the PRC subsidiaries shall comply with are set out below:

LAWS AND REGULATIONS ON COMPANY ESTABLISHMENT

The Company Law of the PRC (《中華人民共和國公司法》)

The Company Law of the PRC (the "**Company Law**") was promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") on December 29, 1993 and was last amended on October 26, 2018. According to the Company Law, companies established in the PRC are either limited liability companies or joint stock limited companies. A company is an enterprise legal person with independent legal person property, and is entitled to legal person property rights. The company shall bear liabilities for its debts with all its assets. The shareholders of a limited liability company shall bear liabilities for the company to the extent of their respective subscribed capital contribution. The shareholders of a joint stock limited company shall bear liabilities for the company to the extent of their respective subscribed shares. The Company Law shall be applicable to foreign-invested limited liability companies and joint stock limited companies. The provisions otherwise prescribed by the laws on foreign investment shall prevail.

The Regulation of the PRC on the Administration of Company Registration (《中華人民共和國公司登記管理條例》)

The Regulation of the PRC on the Administration of Company Registration was promulgated by the State Council on June 24, 1994 and was last amended on February 6, 2016. The registration for a PRC company's establishment, modification, and termination shall comply with the provisions of the Regulation of the PRC on the Administration of Company Registration.

LAWS AND REGULATIONS ON FOREIGN INVESTMENT

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》)

The Foreign Investment Law of the PRC (the "**Foreign Investment Law**") was promulgated by the National People's Congress on March 15, 2019 and became effective on January 1, 2020. The PRC Sino-Foreign Equity Joint Ventures Law, the PRC Wholly Foreign-owned Enterprises Law and the PRC Sino-Foreign Cooperative Joint Ventures Law were repealed simultaneously.

According to the Foreign Investment Law, the foreign investment means the investment activities carried out directly or indirectly by foreign natural persons, enterprises or other organizations (the "**foreign investors**") in the PRC, including the following circumstances: (1) foreign investors, independently or jointly with other investors, establish foreign-invested enterprises in the PRC; (2) foreign investors acquire shares, equities, property shares or other similar rights and interests of Chinese domestic

enterprises; (3) foreign investors, independently or jointly with other investors, make investment to initiate new projects in the PRC; and (4) foreign investors invest in any other way stipulated under laws, administrative regulations or provisions of the State Council. The Foreign-invested enterprises mean enterprises registered and established in the PRC in accordance with the PRC laws, which are wholly or partly invested by foreign investors.

The organizational form, organizational structure and their activities rules of a foreign-invested enterprise shall be governed by the provisions of the Company Law of the PRC, the Partnership Enterprise Law of the PRC and other applicable laws.

The State implements a system of pre-establishment national treatment and negative list for the administration of foreign investment. The pre-establishment national treatment means the treatment granted to foreign investors and their investment in the stage of investment access is no less favorable than that granted to domestic investors and their investment; the negative list means the special administrative measures stipulated by the State for foreign investment's access to specific fields. The State grants national treatment to foreign investment beyond the negative list. Foreign investors are not allowed to invest in fields prohibited in the foreign investment access negative list. Foreign investors that intend to invest in the fields subject to access restrictions stipulated in the foreign investment access negative list shall satisfy the conditions stipulated in the negative list. Foreign investment in fields not stipulated in the foreign investment access negative list shall be managed according to the principle of treating Chinese domestic investment and foreign investment equally.

A foreign investor's capital contribution, profits, capital gains, proceeds out of assets disposal, licensing fees of intellectual property rights, indemnity or compensation legally obtained and income from liquidation, etc. in the PRC may be freely remitted inward or outward in Renminbi or foreign currencies in accordance with laws.

The Implementation Regulations of 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 of the Foreign Investment Law of the PRC (the "**Implementation Regulations of the Foreign Investment Law**") was promulgated by the State Council on December 26, 2019 and became effective on January 1, 2020. The Implementation Regulations of the PRC Sino-Foreign Equity Joint Ventures Law, the Interim Provisions on the Joint Operation Period of Sino-foreign Equity Joint Ventures, the Detailed Rules for Implementing the PRC Wholly Foreign-owned Enterprises Law and the Detailed Rules for Implementing the PRC Sino-Foreign Cooperative Joint Ventures Law were repealed simultaneously. The Implementation Regulations of the Foreign Investment Law further clarified that the State encourages and promotes foreign investment, protects the lawful rights and interests of foreign investors, regulates foreign investment administration, continues to optimize foreign investment environment, and advances a higher-level opening.

The Special Management Measures for Foreign Investment Access (Negative List) (2020 Edition) (《外商投資准入特別管理措施(負面清單)》(2020年版))

The Special Management Measures for Foreign Investment Access (Negative List) (2020 Edition) was promulgated by the National Development and Reform Commission and the Ministry of Commerce jointly on June 23, 2020 and became effective on July 23, 2020. Negative List refers to a special administrative measure for the entry of foreign investment in specific sectors as imposed by the PRC. The PRC accords national treatment to foreign investment outside of the Negative List. Foreign investors shall not invest in any sectors prohibited by the Negative List. Foreign investors investing in a sector restricted by the Negative List shall meet the requirements stipulated under the Negative List. Foreign investors investing in sectors that do not fall within the Negative List shall be administered under the principle of equal treatment for domestic and foreign investment. Our Group's current business does not fall within the scope of the negative list.

The Measures for Foreign Investment Information Reporting (《外商投資信息報告辦法》)

The Measures for Foreign Investment Information Reporting was jointly promulgated by the Ministry of Commerce and the State Administration for Market Regulation on December 30, 2019 and became effective on January 1, 2020. Where foreign investors carry out investment activities directly or indirectly in the PRC, the foreign investors or foreign-invested enterprises shall submit investment information to competent commerce departments in accordance with the Measures for Foreign Investment Information Reporting. Foreign investors or foreign-invested enterprises shall report the investment information by submitting initial reports, modification reports, deregistration reports, annual reports, etc. in accordance with these Measures.

LAWS AND REGULATIONS ON ADVERTISING

The Advertising Law of the PRC (《中華人民共和國廣告法》)

The Advertising Law of the PRC (the "**Advertising Law**") was promulgated by the SCNPC on October 27, 1994 and was last amended on April 29, 2021. The Advertising Law covers guidelines on norms for contents of advertisements, codes of conduct for advertising, supervision and administration, and legal liability.

The Advertising Law applies to the commercial advertising activities whereby product business operators or service providers, through certain media or forms, directly or indirectly introduce the products or services they are marketing in the PRC. The advertisers refer to the natural persons, legal persons or other organizations that, for the purpose of marketing products or services, design, produce and publish advertisements either by themselves or by commissioning others to do so. The advertising agents refer to the natural persons, legal persons or other organizations that on a commission basis provide advertisement designing, production and agent service. The advertisement publishers refer to the natural persons, legal persons or other organizations that publish advertisements for advertisers or advertising agents commissioned by advertisers.

An advertisement shall not contain any information that is false or causing misunderstanding, and shall not deceive or mislead consumers. Advertisers shall be responsible for the authenticity of the contents of their advertisements.

Advertisers, advertising agents and advertisement publishers shall, when engaged in advertising activities, abide by laws and regulations, and comply with the requirements of honesty, credibility and fair competition.

The administration for market regulation of the State Council shall be in charge of the supervisory and administrative work for advertisements nationwide and relevant departments of the State Council shall be responsible for the work relating to the administration of advertisements within their respective scope of duties. The local administrations for market regulation at or above the county level shall be in charge of the supervisory and administrative work for advertisements within their respective administration regions and the relevant departments of the local people's governments at or above the county level shall be responsible for the work relating to the administration of advertisements within their respective scope of duties.

An advertisement shall not involve any of the following circumstances: (1) using or using in a disguised manner the national flag, the national anthem, the national emblem, the army flag, the military song or army emblem of the PRC; (2) using or using in a disguised manner the names or images of the State organs or their functionaries; (3) using words such as the State-level, the highest-grade or the best; (4) impairing the dignity or interests of the State or disclosing the secrets of the State; (5) hindering social stability or harming public interests; (6) endangering the safety of the person or property, or disclosing personal privacy; (7) hindering the public order or violating the sound social morals; (8) having information suggesting pornography, eroticism, gamble, superstition, terror or violence; (9) carrying information of ethnic, racial, religious or sexual discrimination; (10) hindering the protection of environment, natural resources or cultural heritage; or (11) other circumstances prohibited by laws or administrative rules and regulations.

In accordance with the Advertising Law, an advertisement shall be readily identifiable. Where any law or regulation requires any content to be indicated expressly in an advertisement, such content shall be prominently and clearly indicated. In any advertisement, where there are expressions on the performance, function, place of origin, purpose, quality, ingredients, price, producer, validity period and undertaking of the product, or the content, provider, form, quality, price and undertaking of the service, such expressions shall be accurate, clear and explicit. In any content, where there are statements on additional presentation of gifts for the purpose of promoting the sale of goods or providing services, the type, specification, quantity, validity period and form of such gifts shall be expressly indicated. Any data, statistics, research result, abstract, quotation and other quoted information used in an advertisement shall be authentic and accurate, with the source indicated. If the quoted information is subject to a scope of application or validity period, the scope of application or validity period shall be clearly indicated. Where any advertisement involves any patented product or patented process, the patent number and patent category shall be indicated. Patent applications which have not been granted, patent rights and patents which are terminated, revoked, void shall not be advertised.

An advertising agent or an advertisement publisher shall, in accordance with relevant provisions of the State, establish and perfect a system of acceptance registration,

examination and verification, and record management for advertising business. An advertising agent or an advertisement publisher shall check relevant supporting documents and verify the contents of advertisements in accordance with laws and administrative rules and regulations. For an advertisement with untrue information or incomplete supporting documents, the advertising agent shall not provide designing, production and agent service, and the advertisement publisher shall not publish such advertisement.

The advertising activities conducted through the internet shall be subject to the provisions of the Advertising Law. The publish or delivery of advertisements through the internet shall not impair the normal use of the network by users. The advertisements published in pop-up form on the webpage of the internet and other forms shall indicate the close flag in prominent manner and ensure one-key close.

With respect to the publish of the advertisements for medical treatment, pharmaceuticals, medical devices, agricultural pesticides, veterinary drugs or health food, or other advertisements subject to examination as provided by laws or administrative rules and regulations, the relevant departments (hereinafter referred to as the "**advertisement examination organ**") shall, prior to the publishing, examine the contents of such advertisements; in the absence of such examination, such advertisements shall not be published.

For those who violating the Advertising Law, they may be subject to punishment, including but not limited to fine, confiscating advertising fees, suspension of advertisement publishing business, revocation of business licence, or revocation of registration certificates for advertisement publishing.

The Regulations on Administration of Advertisement (《廣告管理條例》)

The Regulations on Administration of Advertisement was promulgated by the State Council on October 26, 1987 and became effective on December 1, 1987. The Regulations on Administration of Advertisement has made stipulation including the form of advertisements, the content of advertisements, the examination and approval procedures required for the entities that operate advertising business, the types of advertisements that need to be applied for publication/displaying/posting, the displaying/posting of outdoor advertisements, the standard of advertisements charges, the standard of advertising agency fees, legal liability, and punishment.

The Interim Measures for the Administration of Internet Advertisements (《互聯網廣告管理暫行辦法》)

The Interim Measures for the Administration of Internet Advertisements was promulgated by the State Administration for Industry and Commerce on July 4, 2016 and became effective on September 1, 2016.

Advertising activities through internet shall be governed by the Advertising Law and the Interim Measures for the Administration of Internet Advertisements.

Internet advertising means the commercial advertising for directly or indirectly marketing goods or services in the form of text, image, audio, video or others forms

through website, webpage, internet application or other internet media. Internet advertising including: (1) advertisements for marketing goods or services in the form of text, picture, video and others forms that contain links; (2) e-mail advertisements for marketing goods or services; (3) paid search advertisements for marketing goods or services; (4) advertisements in commercial displays for marketing goods or services; where certain information shall be displayed by operators to consumers as required by laws, regulations and rules, such laws, regulations and rules shall apply; (5) other commercial advertisements for marketing goods or services through internet media.

Internet advertising shall be distinguishable, marked with "advertisement", to enable consumers to identify it as an advertisement. Paid search advertising shall be clearly distinguished from natural search results.

The publish or delivery of advertisements through the internet shall not impair the normal use of the network by users. The advertisements published in pop-up form on the webpage of the internet and other forms shall indicate the close flag in prominent manner and ensure one-key close. Nobody may induce users to click on the advertising content in a deceptive manner. No advertisement or advertisement link shall be attached to the emails sent by users without permission.

Internet advertising publishers and advertising operators shall, in accordance with the relevant provisions of the State, establish and improve the acceptance registration, examination and verification and file management systems of internet advertising activities, examine, review, verify and register the name, address, valid contact information and other identity information of advertisers, and establish the registration archives and verify and update the same on a regular basis. Internet advertising publishers and advertising operators shall verify the relevant certification documents and review the advertising content, and shall not design, produce, act as agents for or publish an advertisement if the content of advertising does not match or the documentary evidences thereof are not complete. Internet advertising publishers and advertising operators shall be equipped with the advertising review staff that are familiar with advertising regulations; and shall establish a specialized agency responsible for the review of internet advertising if relevant conditions are met.

Internet advertisements may be published with targeted purpose in the form of programmatic buying of advertisements and based on the information integration and data analysis services provided on the advertising demand side platform, medial platform and advertising information exchange platform. As for internet advertisements published in the form of programmatic buying of advertisements, the operator of an advertising demand side platform shall clearly indicate the source of advertisements.

None of the following acts may occur in internet advertising activities: (1) provide or use applications, hardware etc. to intercept, filter, cover, fast forward or take other restrictive measures against the advertisements under the normal operation of others; (2) use the network access, network equipment and applications to destroy the normal advertising data transmission, tamper or block the advertisements under the normal operation of others, or load advertisements without permission; (3) use the false statistical data, dissemination results or internet media value to induce a false offer and seek illegitimate interests or harm the interests of others.

Several Opinions of the State Council on Promoting the Integration Development of Cultural Creativity, Design Services and Related Industries (《國務院關於推進文化創意和設計服務與相關產業融合發展的若干意見》)

Several Opinions of the State Council on Promoting the Integration Development of Cultural Creativity, Design Services and Related Industries was promulgated by the State Council on February 26, 2014 and became effective on the same day. The key tasks including strengthen advertising marketing and planning, increase the cultural connotation and added value of consumer products, improve the brand value system.

Catalogue for Guiding Industry Restructuring (2019 Edition) (《產業結構調整指導目錄(2019年本)》)

Catalogue for Guiding Industry Restructuring (2019 Edition) was promulgated by the National Development and Reform Commission on October 30, 2019 and became effective on January 1, 2020. According to the Catalogue, advertising creativity, advertising planning, advertising designing, advertising production, advertising agency and advertising publishing were categorized as encouraged industry.

The Plan for the Development of the Advertising Industry during the "13th Five-Year Plan" Period (《廣告產業發展"十三五"規劃》)

The Plan for the Development of the Advertising Industry during the "13th Five-Year Plan" Period was promulgated by the State Administration for Industry and Commerce on July 7, 2016. As an important part of China's modern service and cultural industries, advertising industry should be promoted and developed scientifically and healthily. The Plan includes guiding ideology, basic principles and planning objectives, key tasks, policies and measures, the implementation of the plan and so on.

LAWS AND REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Regulation on Copyright

The Copyright Law of the PRC (《中華人民共和國著作權法》) and the Implementation Regulations of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》)

The Copyright Law of the PRC (the "**Copyright Law**") was promulgated by the SCNPC on September 7, 1990 and was last amended on November 11, 2020. The Implementation Regulations of the Copyright Law of the PRC was promulgated by the State Council on May 30, 1991 and was last amended on January 30, 2013. Chinese citizens, legal persons, or organizations without legal person qualifications enjoy copyright in their works, whether published or not, in accordance with the Copyright Law. Work(s) refer to intellectual achievements that are of originality in the fields of literature, arts and science and are capable of being manifested in a certain form. Copyright includes personal rights and property rights.

The Regulations on Computer Software Protection (《計算機軟件保護條例》)

The Regulations on Computer Software Protection was promulgated by the State Council on June 4, 1991 and was last amended on January 30, 2013. Chinese citizens, legal

persons, or other organizations are entitled, under these Regulations, to the copyright in software developed thereby, whether published or not. Software protected under these Regulations must have been independently developed by a developer and fixed on a certain tangible object. A software copyright owner is entitled to the following rights: right of publication, right of authorship, right of alteration, right of reproduction, right of distribution, right of rental, right of dissemination via an information network, right of translation, other rights to which a software copyright owner shall be entitled. Software copyright is created from the date when the development of the software is completed. With respect to a natural person's software copyright, the term of protection shall be the life of the natural person plus 50 years after his or her decease, and shall end on December 31 of the 50th year after his or her decease; in the case of a co-developed software, the term of protection shall end on December 31 of the 50th year after the decease of the last of the natural persons. With respect to a legal person's or other organization's software copyright, the term of protection shall be 50 years, and shall end on December 31 of the 50th year after the software's first release. If any such software remains unreleased within 50 years after its development is completed, it shall no longer be protectable under these Regulations. Software copyright owners may register with software registration organizations recognized by the copyright administration department under the State Council. The registration certificate issued by the software registration organization is the preliminary certificate of the registered items.

The Computer Software Copyright Registration Measures (《計算機軟件著作權登記辦法》)

The Computer Software Copyright Registration Measures was promulgated by the National Copyright Administration on February 20, 2002 and was last amended on June 18, 2004. The Computer Software Copyright Registration Measures regulates the registration of software copyright, exclusive licensing contracts for software copyright and transfer contracts. The National Copyright Administration shall be the competent authority of the nationwide administration of software copyright registration and the Copyright Protection Centre of China is designated as the software registration authority.

Laws and Regulations on Trademark

The Trademark Law of the PRC (《中華人民共和國商標法》) and the Implementation Regulations of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》)

The Trademark Law of the PRC was promulgated by the SCNPC on August 23, 1982 and was last amended on April 23, 2019. The Implementation Regulations of the Trademark Law of the PRC was promulgated by the State Council on August 3, 2002 and was amended on April 29, 2014.

Trademarks that are registered upon verification and approval of the Trademark Office are registered trademarks, including commodity trademarks, service trademarks, collective trademarks, and certification trademarks. A trademark registrant is entitled to the exclusive right to use the registered trademark and such right is protected by law.

Any natural person, legal person or other organization, intending to acquire the exclusive right to use a trademark for his/her/its goods or services during production and business operations, shall apply for trademark registration with the Trademark Office.

A registered trademark shall be valid for 10 years, commencing from the date of registration approval. Where a trademark registrant intends to continue using the registered trademark upon expiry of its validity period, the trademark registrant shall go through renewal procedures within 12 months prior to the date of expiry in accordance with relevant provisions, failing which a grace period of six months may be granted. Each renewal of registration shall be valid for 10 years commencing from the date immediately following the date of expiry of the last validity period of the trademark. If no application for renewal is filed upon expiry of the grace period, the registered trademark shall be deregistered.

Regulation on Domain Names

The Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》) and the Implementing Rules of China Country Code Top-level Domain Names Registration (《國家頂級域名註冊實施細則》)

The Administrative Measures on Internet Domain Names was promulgated by the Ministry of Industry and Information Technology (the "**MIIT**") on August 24, 2017 and became effective on November 1, 2017. The Implementing Rules of China Country Code Top-level Domain Names Registration was promulgated by China Internet Network Information Center on June 18, 2019 and became effective on the same day. The MIIT conducts supervision and administration of Domain Name Services across the country. China Internet Network Information Center is the national top-level domain name registration authority. In principle, domain name registration services shall be subject to the principle of "first apply first registration". For a party engaging in internet information service, it shall use domain names pursuant to laws and regulations as well as the relevant provisions of the telecommunication administrative authorities, and shall not use the domain names for illegal activities.

LAWS AND REGULATIONS RELATING TO EMPLOYMENT AND SOCIAL SECURITY

Laws and Regulations on Labor

The Labor Law of the PRC (《中華人民共和國勞動法》)

The Labor Law of the PRC (the "**Labor Law**") was promulgated by the SCNPC on July 5, 1994 and was last amended on December 29, 2018. The Labor Law regulates the issues relating to employment promotion, labor contracts, working hours, rest and vacations, wages, labor safety and health, special protection of female and underage workers, vocational training, social insurance and welfare, labor disputes, supervision and inspection, legal liability.

The Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) and the Implementation Regulations of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》)

The Labor Contract Law of the PRC (the "**Labor Contract Law**") was promulgated by the SCNPC on June 29, 2007 and was amended on December 28, 2012. The

Implementation Regulations of the Labor Contract Law of the PRC was promulgated by the State Council on September 18, 2008 and became effective on the same day.

The Labor Contract Law applies to the establishment of labor relationships between enterprises, self-employed economic organizations and private non-enterprise units within the territory of the PRC and employees, the conclusion, performance, amendment, cancellation or termination of labor contracts. Employers and employees must sign a written labor contract to establish a labor relationship. Employment by concluding labor contracts shall be the basic form of employment adopted by Chinese enterprises. Employment by labor dispatching is only a supplementary form, and shall apply only to temporary, auxiliary or back-up jobs.

Regulation on Social Insurance

The Social Insurance Law of the PRC (《中華人民共和國社會保險法》)

The Social Insurance Law of the PRC was promulgated by the SCNPC on October 28, 2010 and was amended on December 29, 2018. The State establishes social insurance systems such as basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance. Employer shall apply for its employees to the social insurance agency for going through the formalities for social insurance registration within 30 days from the date on which the employee is employed. Employer shall declare and make a full payment of the social insurance premiums on its own as scheduled and shall not delay or reduce the payment for reasons other than statutory causes such as force majeure. The social insurance premiums that should be paid by an employee shall be withheld and paid by the employer on the employee's behalf. The employer shall inform the employee of the breakdown of payment of the social insurance premiums on a monthly basis. Any employer who fails to go through the formalities for social insurance registration, or pay the full amount of social insurance premiums as scheduled, may be fined and ordered to pay the deficit amount.

Regulation on Housing Provide Funds

The Administrative Regulations on the Housing Provident Fund (《住房公積金管理條例》)

The Administrative Regulations on the Housing Provident Fund was promulgated by the State Council on April 3, 1999 and was last amended on March 24, 2019. When employing new employees, the employer shall undertake housing provident fund payment and deposit registration at a housing provident fund management center within 30 days from the date of the employment, and shall go through the formalities of opening or transferring housing provident fund accounts of employees. The employer shall pay and deposit housing provident fund on schedule and in full, and may not be overdue in the payment and deposit or underpay the housing provident fund. The housing provident fund to be paid and deposited by an employee shall be withheld from his salary every month by the employer. Employer fails to undertake payment and deposit registration of housing provident fund or fails to go through the formalities of opening housing provident fund accounts for its employees, or employer is overdue in the payment and deposit of, or underpays the housing provident fund, may be fined and ordered to pay the deficit amount.

LAW AND REGULATIONS RELATING TO TAXATION

Regulations on Value-added Tax

The Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值税暫行條例》) and the Implementing Rules for the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值税暫行條例實施細則》)

The Interim Regulations on Value-Added Tax of the PRC was promulgated by the State Council on December 13, 1993 and was last amended on November 19, 2017. The Implementing Rules for the Interim Regulations on Value-Added Tax of the PRC was promulgated by the Ministry of Finance and the State Administration of Taxation on December 18, 2008 and was amended on October 28, 2011.

Entities and individuals that sell goods or provision of processing, repair or replacement labor services, sell services, intangible assets, or real estate, or import goods within the territory of the PRC are taxpayers of value-added tax ("**VAT**"), and shall pay VAT in accordance with this Regulation.

VAT rates shall be as follows: (1) taxpayers who sell goods, Labor Services or leasing services for tangible movable assets or import goods shall be subject to VAT of 17%, unless otherwise prescribed by Item (2), Item (4) or Item (5) of this Article; (2) taxpayers shall be subject to VAT of 11% if they sell transportation services, postal services, basic telecommunications services, construction services or real estate leasing services, sell real estate, transfer land-use rights, or sell or import any of the following goods: 1. Grains and other agricultural products, edible vegetable oil or edible salt; 2. Tap water, heating, air-conditioning, hot water, gas, liquefied petroleum gas, natural gas, dimethyl ether, bog gas or residential coal products; 3. Books, newspapers, magazines, audio-visual products or electronic publications; 4. Feeds, fertilizers, pesticides, agricultural machinery or plastic films for agricultural use; or 5. Other goods prescribed by the State Council. (3) Taxpayers who sell services or intangible assets shall be subject to VAT of 6%, unless otherwise prescribed by Item (1), Item (2) or Item (5) of this Article; (4) Taxpayers who export goods shall be subject to zero-rated VAT, unless otherwise prescribed by the State Council; and (5) Domestic entities and individuals who engage in cross-border sales of services or intangible assets that are within the scope prescribed by the State Council shall be subject to zero-rated VAT.

According to the Notice of the Ministry of Finance and the State Administration of Taxation on Adjusting Value-added Tax Rates (《財政部、國家税務總局關於調整增值税税率的通知》), which was promulgated on April 4, 2018 and became effective on May 1, 2018, A taxpayer who is previously subject to 17% and 11% respectively on VAT-taxable sales activities or imported goods shall have the applicable tax rates adjusted to 16% and 10% respectively.

According to the Announcement of the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs on Relevant Policies for Deepening Value-added Tax Reform (《財政部、國家税務總局、海關總署關於深化增值税改革有關政策的公告》), which was promulgated on March 20, 2019 and became

effective on April 1, 2019, for the VAT taxable sales or imports by a general taxpayer of VAT, the applicable tax rate shall be adjusted to 13% from the original 16% and to 9% from original 10%. From April 1, 2019 to December 31, 2021, a taxpayer engaged in production or consumer-oriented service industries is allowed to have a 10% weighted deduction of deductible input VAT in the current period from the tax amount payable. A taxpayer engaged in production or consumer-oriented service industries here refers to any taxpayer whose sales from providing postal service, telecommunications service, modern service or living service accounts for more than 50% of its total sales. The specific scope of four items of services shall be subject to the Notes on Sale of Services, Intangible Assets and Real Property (Cai Shui [2016] No. 36). The advertising service is included in the modern service.

Regulation on Urban Maintenance and Construction Tax

The Interim Regulation on Urban Maintenance and Construction Tax of the PRC (《中華人民共和國城市維護建設税暫行條例》)

The Interim Regulation on Urban Maintenance and Construction Tax of the PRC (《中華人民共和國城市維護建設税暫行條例》) was promulgated by the State Council on February 8, 1985 and was last amended on January 8, 2011 and became effective on the same day.

All entities and individuals that pay consumption tax, value-added tax and business tax shall be a taxpayer with the obligations of urban maintenance and construction tax and shall pay urban maintenance and construction tax. Payment of urban maintenance and construction tax shall be based on the consumption tax, value-added tax and business tax which a taxpayer actually pays and shall be made simultaneously when the consumption tax, value-added tax and business tax are paid. The rates of urban maintenance and construction tax shall be as follows: 7% for a taxpayer in a city; 5% for a taxpayer in a county town or town; and 1% for a taxpayer living in a place other than a city, county town or town.

Regulation on Education Surcharges

The Interim Provisions on the Collection of Education Surcharges (《徵收教育費附加的暫行規定》)

The Interim Provisions on the Collection of Education Surcharges (《徵收教育費附加的暫行規定》) was promulgated by the State Council on April 28, 1986 and was last amended on January 8, 2011 and became effective on the same day.

All entities and individuals who pay consumption tax, value-added tax and business tax, other than entities which pay rural educational undertaking surcharge pursuant to the Circular of the State Council on Raising Funds for Rural Schools (Guo Fa [1984] No. 174) (《國務院關於籌措農村學校辦學經費的通知》) (國發[1984]174號文), shall pay education surcharge. The education surcharge rate is 3% of the amount of value-added tax, business tax and consumption tax actually paid by each entity or individual, and the surcharge shall be paid simultaneously with value-added tax, business tax and consumption tax.

The Notice of the State Council on Extending the Urban Maintenance and Construction Tax and Educational Surcharges from Chinese to Foreign-invested Enterprises and Citizens (《國務院關於統一內外資企業和個人城市維護建設稅和教育費附加制度的通知》) was promulgated by State Council on October 18, 2010 and became effective on December 1, 2010. The urban maintenance and construction tax and education surcharge are also applicable to foreign invested enterprises, foreign enterprises and individual foreigners.

Regulation on Stamp Tax

The Interim Regulations on Stamp Tax of the PRC (《中華人民共和國印花稅暫行條例》) and the Implementing Rules of the Interim Regulations on Stamp Tax of the PRC (《中華人民共和國印花稅暫行條例施行細則》)

The Interim Regulations on Stamp Tax of the PRC was promulgated by the State Council on August 6, 1988 and was last amended on January 8, 2011. The Implementing Rules of the Interim Regulations on Stamp Tax of the PRC was promulgated by the Ministry of Finance on September 29, 1988 and was last amended on November 5, 2004.

All entities and individuals who execute or receive vouchers specified in these Regulations within the territory of the PRC are taxpayers of stamp tax and shall pay stamp duty accordingly. Taxable vouchers include: (1) contracts or vouchers in the nature of a contract with regard to: purchases and sales, the undertaking of processing, contracting for construction projects, property leasing, commodity transport, warehousing, loans, property insurance, technology; (2) documents for transfer of property rights; (3) business account books; (4) certificates evidencing rights or licenses; and (5) other documents that are taxable as determined by the Ministry of Finance. According to the nature of the taxable vouchers, taxpayers shall calculate the amount of tax due on the basis of a flat tax rate or a fixed amount per voucher.

Regulation on Enterprise Income Tax

The Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and the Implementation Regulations of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》)

The Enterprise Income Tax Law of the PRC was promulgated by the National People's Congress on March 16, 2007 and was last amended on December 29, 2018. The Implementation Regulations of the Enterprise Income Tax Law of the PRC was promulgated by the State Council on December 6, 2007 and was last amended on April 23, 2019.

Within the territory of the PRC, enterprises and other organizations that generate income are payers of enterprise income tax, shall pay enterprise income tax.

Enterprises are classified into resident enterprises and non-resident enterprises. Resident enterprises refer to enterprises which are established in China according to law, or which are established according to the law of a foreign country (region) but whose

actual management body is in China. Non-resident enterprises refer to enterprises which are established according to the law of a foreign country (region) and whose actual management body is not in China, but which have established agencies or offices in China, or which haven't established agencies or offices in China but have income earned in China.

A resident enterprise shall pay enterprise income tax on its income generated in and outside China. A non-resident enterprise which has established agencies or offices in China shall pay enterprise income tax on its income generated by such agencies or offices from inside China, and its income which is generated outside China but is actually associated with such agencies or offices. A non-resident enterprise which hasn't established agencies or offices in China, or which has established agencies or offices in China but whose income has no association with such agencies or offices shall pay enterprise income tax on its income generated from inside China.

The rate of enterprise income tax is 25%. However, if non-resident enterprises have not established agencies or offices in China, or which has established agencies or offices in China but there is no actual relationship between the relevant income derived in China and the established agencies or offices set up by them, the enterprise income tax is, in that case, set at the rate of 10% for their income sourced from inside China.

The Agreement between the Mainland of China and the 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税和防止偷漏税的安排》)

According to the Agreement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Incomes, promulgated by the State Administration of Taxation on August 21, 2006 and was last amended on July 19, 2019, PRC resident enterprises shall pay enterprise income tax in accordance with PRC law when distributing dividends to their Hong Kong shareholders and 5% withholding tax rate applies to dividends paid by a PRC company to a Hong Kong resident if the recipient is a company that holds directly no less than 25% of the capital of the PRC company.

The Notice of the State Administration of Taxation on Issues Relating to the Implementation of Dividend Clauses in Tax Treaties (《國家税務總局關於執行税收協定股息條款有關問題的通知》)

According to the Notice of the State Administration of Taxation on Issues Relating to the Implementation of Dividend Clauses in Tax Treaties, issued on February 20, 2009, the Hong Kong shareholders shall satisfy the following conditions in order to be eligible for the tax agreement treatment, the proportion of the capitals of the Chinese resident company directly owned by the Hong Kong shareholders shall, at any time within the consecutive 12 months before obtaining dividends, satisfy the provisions on the proportion prescribed in the tax treaty.

The Administrative Measures on Entitlement of Non-residents to Treatment under Treaties (《非居民納税人享受協定待遇管理辦法》)

According to the Administrative Measures on Entitlement of Non-residents to Treatment under Treaties promulgated by the State Administration of Taxation on October 14, 2019, for non-resident taxpayers to enjoy the tax treaty benefits, the method of "independent decision-making, filing for enjoying and retention of relevant materials for reference" shall apply. Where non-resident taxpayers determine on their own that they meet the conditions for enjoying the tax treaty benefits, they may automatically enjoy the tax treaty benefits when filing tax returns or filing tax returns of withheld tax via the withholding agents, collect and retain relevant materials for reference in accordance with these Measures and accept the follow-up management by the tax authorities.

REGULATIONS RELATING TO FOREIGN EXCHANGE

The Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》)

According to the Foreign Exchange Administration Regulations of the PRC was promulgated by the State Council on January 29, 1996 and was last amended on August 5, 2008, "Current account transactions" means the transactions relating to goods, services, profits, and frequent transfer in the international balances of payments. Foreign exchange receipts and payments for current account transactions shall be based on truthful and legal transactions. "Capital account transactions" means the transactions causing the change of external assets and liabilities level in the international receipts and payments, including capital transfer, direct investment, securities investment, derivative products and loans, etc. Overseas institutions or individuals that propose to make direct investment in the PRC shall go through the formalities for registration with the foreign exchange control organs after the relevant competent departments approve the proposals. Domestic institutions or individuals that make direct investment abroad or are engaged in distribution or deal of overseas valuable securities or derivative products shall go through the formalities for registration in accordance with the provisions of the foreign exchange control department of the State Council. Foreign exchange payments for capital account transactions shall be made, in accordance with the provisions of the foreign exchange control department of the State Council on administration of payment and purchase of foreign exchange, with their own foreign exchange or with foreign exchange purchased from financial institutions engaged in settlement or sale of foreign exchange, by presenting valid documents. Foreign exchange for capital account transactions and funds for foreign exchange settlement shall be used according to the purpose of use as approved by the relevant competent departments and foreign exchange control organs.

The Circular of the State Administration of Foreign Exchange on Issues Relating to Foreign Exchange Control of Overseas Investment and Financing and Round-tripping Investment made by Chinese Residents through 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》)

According to the Circular of the State Administration of Foreign Exchange on Issues Relating to Foreign Exchange Control of Overseas Investment and Financing and

Round-tripping Investment made by Chinese Residents through Special Purpose Vehicles (the "**SAFE Circular 37**"), which was promulgated by the State Administration of Foreign Exchange (the "**SAFE**") on July 4, 2014 and implemented on the same date, prior to making contribution to a special purpose companies ("**SPC**") with legitimate holdings of domestic or overseas assets or interests, a Mainland resident shall apply to the relevant Foreign Exchange Bureau for foreign exchange registration of overseas investment. Where a registered overseas SPC experiences changes of its Mainland resident individual shareholder, its name, operating period or other basic information, or experiences changes of material matters, such as the increase or reduction of contribution by the Mainland resident individual, the transfer or replacement of equity, or merger or division, the Mainland resident shall promptly change the foreign exchange registration of overseas investment with the Foreign Exchange Bureau concerned. The Mainland resident may proceed with subsequent business (including the repatriation of profits and bonuses) only after completing the change of the foreign exchange registration of overseas investment. "SPCs" shall refer to the overseas enterprises that are directly established or indirectly controlled for the purpose of investment and financing by Mainland residents (including Mainland institutions and resident individuals) with their legitimate holdings of the assets or interests in Mainland enterprises, or their legitimate holdings of overseas assets or interests. "Mainland resident individuals" shall refer to Chinese citizens holding the identity cards for Mainland residents, military identity documents or identity documents for Chinese armed police force, and overseas individuals who do not hold any Mainland legal identity document, but who have habitual residences within the territory of China due to relationship of economic interests.

The 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》)

According to the Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (the "**SAFE Circular 13**"), which was promulgated by the SAFE on February 13, 2015 and subsequently modified and effective on December 30, 2019, the banks will review and carry out foreign exchange registration under domestic direct investment as well as foreign exchange registration under overseas direct investment directly, and the SAFE and its branches shall implement indirect supervision over foreign exchange registration of direct investment via the banks.

The Circular of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》)

According to the Circular of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-invested Enterprises (the "**SAFE Circular 19**"), which was promulgated by the SAFE on March 30, 2015 and was subsequently amended on December 30, 2019, foreign-invested enterprises shall be allowed to settle their foreign exchange capitals on a discretionary basis. The discretionary settlement by a foreign-invested enterprise of its foreign exchange capital shall mean that the foreign-invested enterprise may, according to

its actual business needs, settle with a bank the portion of the foreign exchange capital in its capital account for which the relevant foreign exchange bureau has confirmed monetary contribution rights and interests (or for which the bank has registered the account-crediting of monetary contribution). A foreign-invested enterprise shall truthfully use its capital for its own operational purposes within the scope of business. A foreign-invested enterprise shall not use its capital and the RMB funds obtained from foreign exchange settlement for any of the following purposes: (1) it shall not, directly or indirectly, use the foregoing funds for expenditure beyond its business scope or expenditure prohibited by State laws and regulations; (2) it shall not, directly or indirectly, use the foregoing funds for investment in securities, unless otherwise prescribed by laws and regulations; (3) it shall not, directly or indirectly, use the foregoing funds for disbursing RMB entrusted loans (unless permitted under its business scope), repaying inter-corporate borrowings (including third-party advances) and repaying RMB bank loans that have been sub-lent to third parties; or (4) it shall not use the foregoing funds to pay for the expenses related to the purchase of real estate not for self-use, unless it is a foreign-invested real estate enterprise.

The Circular of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》)

According to the Circular of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (the "**SAFE Circular 16**"), which was promulgated by the SAFE on June 9, 2016, a domestic institution shall comply with the following provisions in using its foreign exchange earnings under capital account and the RMB funds obtained from the settlement thereof: (1) it shall not, directly or indirectly, use the foregoing funds for expenditure beyond its business scope or expenditure prohibited by State laws and regulations; (2) unless otherwise expressly prescribed, it shall not, directly or indirectly, use the foregoing funds for securities investment or investment and wealth management products other than principal-protected products issued by banks; (3) it shall not use the foregoing funds for disbursing loans to non-affiliated enterprises, except under circumstances expressly permitted by its business scope; and (4) it shall not use the foregoing funds for constructing or purchasing real estate not for self-use (unless it is a real estate enterprise).

The Circular of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving Authenticity and Compliance Review (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》)

According to the Circular of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving Authenticity and Compliance Review (the "**SAFE Circular 3**"), which was promulgated by the SAFE on January 26, 2017, policies on managing the outbound remittance of the foreign exchange profits of direct investment shall continue to be enforced and fine-tuned. To process outbound remittance of profits in an amount equivalent to above USD50,000 for a domestic institution, a bank shall examine the profit distribution resolution of the board of directors (or the profit distribution resolution of partners) related to this

outbound remittance of profits, the original of the tax record-filing form and audited financial statements in accordance with the principle of authentic transactions, and affix seals on the original of the tax record-filing form to indicate the amount and the date of this outbound remittance. A domestic institution shall use profits to make up for losses in previous years pursuant to the law before it is allowed to remit the profits overseas.

The Circular of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》)

According to the Circular of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation (the "**SAFE Circular 28**"), which was promulgated by the SAFE on October 23, 2019, the restriction on domestic equity investment of capital funds by non-investment foreign-invested enterprises was cancelled. On the basis of allowing investment-oriented foreign-invested enterprises to use capital funds for domestic equity investment in accordance with laws and regulations, non-investment foreign-invested enterprises are also permitted to make domestic equity investments with their capital funds under the condition that the Special Management Measures for Foreign Investment Access (Negative List) is not violated and the relevant domestic investment projects are true and compliant.

The Circular of the State Administration of Foreign Exchange on Optimizing Foreign Exchange Management Service in Support of Foreign Business Development (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》)

According to the Circular of the State Administration of Foreign Exchange on Optimizing Foreign Exchange Management Service in Support of Foreign Business Development (the "**SAFE Circular 8**"), which was promulgated by the SAFE on April 10, 2020, the reform of facilitating the payments of incomes under the capital accounts shall be promoted nationwide. Enterprises meeting the prescribed requirements are allowed to use revenues under the capital accounts as capital funds, external debts and overseas listings for domestic payment without providing banks with authenticity certification materials in advance, to the extent that funds are used for true and law-compliant purposes and such enterprises comply with the in-force administrative provisions on the use of revenue under the capital accounts.

REGULATIONS RELATING TO M&A

The Rules on the Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》)

According to the Rules on the Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (the "**M&A Rules**"), which was promulgated jointly by the Ministry of Commerce, the State-owned Assets Supervision and Administration Commission of the State Council, the State Administration of Taxation, the State Administration for Industry and Commerce, China Securities Regulatory Commission, and the SAFE on August 8, 2006 and became effective on September 8, 2006 and was subsequently amended on June 22, 2009, "merger and acquisition of domestic enterprises by foreign investors" shall mean

any of the following where a foreign investor: (i) purchases the equity interest of any shareholder in a domestic non-foreign-invested enterprise ("**domestic company**"); or (ii) subscribes for any increased capital of a domestic company so as to convert such domestic company into and established as a foreign-invested enterprise; or (iii) establishes a foreign-invested enterprise through which it purchases and operates the assets of a domestic enterprise by agreement; or (iv) a foreign investor purchases the assets of a domestic enterprise by agreement and then invest such assets to establish a foreign-invested enterprise and operates such assets. The merger and acquisition of a domestic company with or by a domestic company, enterprise or individual, that has a related party relationship with the target company, in the name of an overseas company legitimately incorporated or controlled by the domestic company, enterprise or individual, shall be subject to the examination and approval of the Ministry of Commerce.

According to the Manual of Guidance on Administration for Foreign Investment Access (《外商投資准入管理指引手冊》), which was promulgated by the Ministry of Commerce on December 18, 2008 and implemented on the same date, for foreign-invested enterprises already established, the transfer of equity from a Chinese party to a foreign party is not subject to the M&A Rules, whether or not there is a related relationship between the two parties, or whether the foreign party is an original shareholder or a new investor. Under the M&A Rules, the target company of merger and acquisition only includes domestic enterprises.

INTRODUCTION

Our history traces back to November 2017, when our founder, Mr. Ma, established Uju Beijing, our principal operating subsidiary. In view of the fast-growing market potential in the online marketing solutions business with premium media partners including leading online short video platforms, social media platforms and search engine platforms in China, Mr. Ma set up Uju Beijing primarily for the purpose of carrying on online marketing solution business with particular focus on online short video marketing and key account advertisers as our customers. Our business has been growing significantly since establishment by leveraging on Mr. Ma's relevant experience of more than 12 years in marketing and advertising, as well as the experience and expertise of our other senior management in our industry. Over the course of years, our business coverage has expanded nationwide, with subsidiaries in Beijing, Shanghai, Qingdao, Hainan and Chongqing. We also establish recognized and long-term partnership with a broad base of premium media partners. According to iResearch, we ranked the second largest online marketing service provider in terms of gross billing generated by online short video advertisements placed on online media platforms in 2020 with market share of approximately 3.0%. We also ranked the second largest online marketing service provider in China in terms of gross billing generated from advertisements placed on online short video platforms in 2020 with market share of approximately 3.9%. During the Track Record Period, our total revenue generated from our online marketing solutions business increased from RMB1,156.3 million in 2018, to RMB3,450.9 million in 2019 and RMB6,360.7 million in 2020, making us the largest online marketing service provider in China in terms of gross billing generated by general e-commerce platform advertisers on online short video platforms in 2020 with market share of approximately 16.0% according to the same source. Further, our total revenue generated from online marketing solutions business increased rapidly from RMB1,441.3 million for the four months ended April 30, 2020 to RMB2,214.2 million for the four months ended April 30, 2021.

We believe our proven performance records during the Track Record Period are mainly attributable to (i) the rapid growth of online short video marketing solutions business in line with the fast expansion and explosive popularity of online short videos in China; and (ii) the increasing recognition by China's leading online media platforms for our high-quality and performance-based online marketing solutions as a result of our experienced management's visionary and solid marketing industry experiences and extensive media network to support our sustainable development.

OUR KEY BUSINESS MILESTONES

The key business milestones in the development of our Group up to the Latest Practicable Date are set out below:

Year	Event
2017	Uju Beijing, our major subsidiary, was established
2018	Established online short video production team

Year	Event
	Being recognized as online marketing solutions service provider of (i) Supplier A, (ii) Supplier B, (iii) Supplier C and (iv) Supplier D*(Note)*
	Commenced the business relationship with advertiser customers such as Customer A, Customer B and Customer C*(Note)*
	Awarded the Gold Medal for Online Short Video Category (短視頻類金獎), Gold Medal for Industry Category (行業類金獎) and Zhurong Value-added Operation Award (祝融增值運營獎) by ByteDance
	Awarded the Gold Medal for Integrated Marketing (整合營銷金獎) by 360 Search
2019	Established online short video operation center in Chongqing
	Awarded the Gold Cube Award for Integrated Marketing (整合營銷類 • 金魔方獎) by Alibaba
	Awarded the Third Place for Commercial Online Short Video Marketing Competition (商業化短視頻營銷案例大賽銀獎) by Kuaishou
	Awarded the Creative Online Short Video Award for E-commerce Industry (電商行業創意短視頻獎) by ByteDance
	Being recognized as online marketing solutions service provider of a leading online short video marketing solutions provider and online content service provider in China and listed on the Stock Exchange
2020	Developed and launched our content production platform U-Engine, for producing large-scale, high quality and customized online marketing solutions
	Being recognized as online marketing solutions service provider of (i) Supplier F*(Note)*, (ii) a leading company operating communication and social programmes and platforms, payment platforms and cloud platforms in China and listed on the Stock Exchange and the OTC Market in the United States and (iii) a leading video community for young generations in China and listed on the NASDAQ Global Market and the Stock Exchange
	Awarded the Ocean Engine Awards — Annual Leading Innovation Award (引擎獎－年度領創大獎) by ByteDance

Year	Event
2021	Being recognised as online marketing solutions service provider of (i) a mobile marketing platform tailored for the devices developed by a leading Chinese technology company specializing in providing information and communication technology infrastructure and smart devices and (ii) a leading office productivity suite for personal computers and mobile devices developed by a Chinese software developer listed on the Shanghai Stock Exchange

Note: For details of Supplier A, Supplier C, Supplier F, Customer A, Customer B and Customer C, please refer to the section headed "Business — Top Customers and Suppliers" in this document.

OUR MAJOR SUBSIDIARY

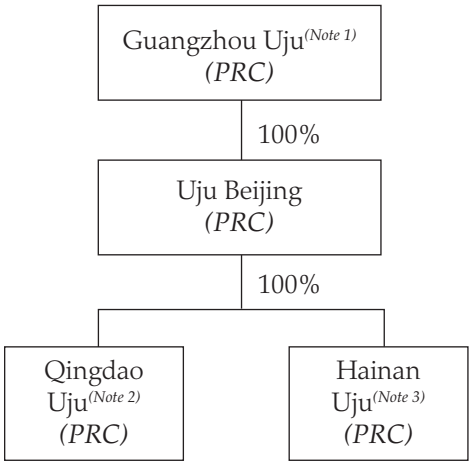
Uju Beijing was established in the PRC on November 23, 2017 as a limited liability company (legal person sole investment) with an initial registered capital of RMB10.0 million. It is mainly engaged in the business of online marketing solutions business with key account advertisers as customers.

As at the date of its establishment and immediately before the Reorganization, Uju Beijing was held as to 100% by Guangzhou Uju. The registered capital of Uju Beijing was increased from RMB10.0 million to RMB160.0 million on March 23, 2021, and was fully paid up as of the Latest Practicable Date.

Uju Beijing commenced business operation in providing online marketing solutions services and started generating revenue in January 2018. Immediately after the Reorganization, Uju Beijing was wholly-owned by Uju Hong Kong. As of the Latest Practicable Date, in addition to Uju Beijing, being our major subsidiary as set out above, our Group also had other operating subsidiaries in the PRC. For details, please refer to the paragraph headed "Reorganization" in this section.

REORGANIZATION

The following chart sets out the shareholding and corporate structure of our Group immediately prior to the Reorganization and the Pre-**[REDACTED]** Investments:



Notes:

1. Guangzhou Uju has been owned as to 51.0% by Mr. Ma, 19.0% by Zhuhai Fengju LLP, 15.0% by Zhuhai Jusheng LLP and 15.0% by Zhuhai Miku LLP, all of which are controlled by Mr. Ma.

   As of August 24, 2020, after a series of transactions (including completion of awarding ordinary shares to various employees), shareholding structure of Zhuhai Fengju LLP, Zhuhai Jusheng LLP and Zhuhai Miku LLP were as follows:

   Zhuhai Fengju LLP

Shareholder(s)	Equity interests	Capacity
Mr. Ma	99.0%	As general partner
Ms. Li Jie	1.0%	As limited partner

   Zhuhai Jusheng LLP

Shareholder(s)	Equity interests	Capacity
Mr. Ma	29.4%	As general partner
Ms. Li Jie	0.3%	As limited partner
Hainan Youde LLP	70.3%	As limited partner

   Zhuhai Miku LLP

Shareholder(s)	Equity interests	Capacity
Mr. Ma	29.4%	As general partner
Ms. Li Jie	0.3%	As limited partner
Hainan Youde LLP	70.3%	As limited partner

Hainan Youde LLP was established in the PRC on July 2, 2020 as employee share incentive platform and has since then owned as to 47.4% by Mr. Peng, 19.0% by Mr. Xie Song (謝嵩先生), 7.1% by Ms. Luo, 7.1% by Ms. Meng Ran (孟冉女士), 4.7% by Mr. Sun Liancai (孫連才先生), 4.7% by Mr. Zhang Wenyue (張文岳先生), 2.4% by Mr. Ma, 2.4% by Ms. Li Xiaohong (李小紅女士), 2.4% by Mr. Li Zhao (李釗先生), 2.4% by Mr. Song Wende (宋文德先生), 0.2% by Ms. Li Meiyi (李美一女士) and 0.2% by Mr. Liu Jingyu (劉靖宇先生), all of whom were employees of our Group at the material time and the equity interest held by them shall be taken as share-based compensation. For details see Note 32 of the Accountant's Report in Appendix I to this document.

Ms. Li Jie was holding the abovementioned equity interest in the Zhuhai Fengju LLP, Zhuhai Jusheng LLP and Zhuhai Miku LLP on trust for and on behalf of Mr. Ma.

Guangzhou Uju and its subsidiaries (not including our Group) were principally engaged in the business of online marketing with particular focus on conventional advertisements in forms of text and graphics for small-and-medium enterprises which was different from our principal business of online marketing solutions with particular focus on online short video marketing and key account advertisers as our customers. To the understanding and best knowledge of the Directors, Guangzhou Uju has not conducted online short video marketing since its establishment. Save for Mr. Ma, we have our own management team to carry out our operation independently from Guangzhou Uju and its subsidiaries (not including our Group). The key account advertisers are usually with larger overall marketing budget, or with large potential to spend large amount of advertising spending on marketing solution and high requirements on marketing services. Since 2018, taking into consideration of the competitive landscape of marketing for small-and-medium enterprises and the prospects of online marketing solutions for key account advertisers, Mr. Ma decided to focus on the business of Uju Beijing and has gradually ceased the business of Guangzhou Uju and its subsidiaries. By the end of 2019 and as at the Latest Practicable Date, Guangzhou Uju and its subsidiaries had substantially ceased their operation. Guangzhou Uju is currently solvent and was not facing any legal proceedings against it as at the Latest Practicable Date and did not have any material regulatory non-compliance during the Track Record Period and up to the Latest Practicable Date. It is expected that Guangzhou Uju and its existing subsidiary, namely Hangzhou Uju Information Technology Co., Ltd.* (杭州優矩信息技術有限公司), would remain dormant.

2. Qingdao Uju was established in the PRC on December 20, 2019, with an aim to establish our presence in Qingdao. Qingdao Uju is principally engaged in online marketing solutions business.

3. Hainan Uju was established in the PRC on April 17, 2020, with an aim to establish our presence in Hainan. Hainan Uju is principally engaged in online marketing solutions business.

4. Prior to the Reorganization, Beijing Juliang, Shanghai Juqing and Chongqing Juqing have not been established by Uju Beijing as its subsidiaries.

In preparation for the [**REDACTED**], our Group underwent the Reorganization which includes the following steps:

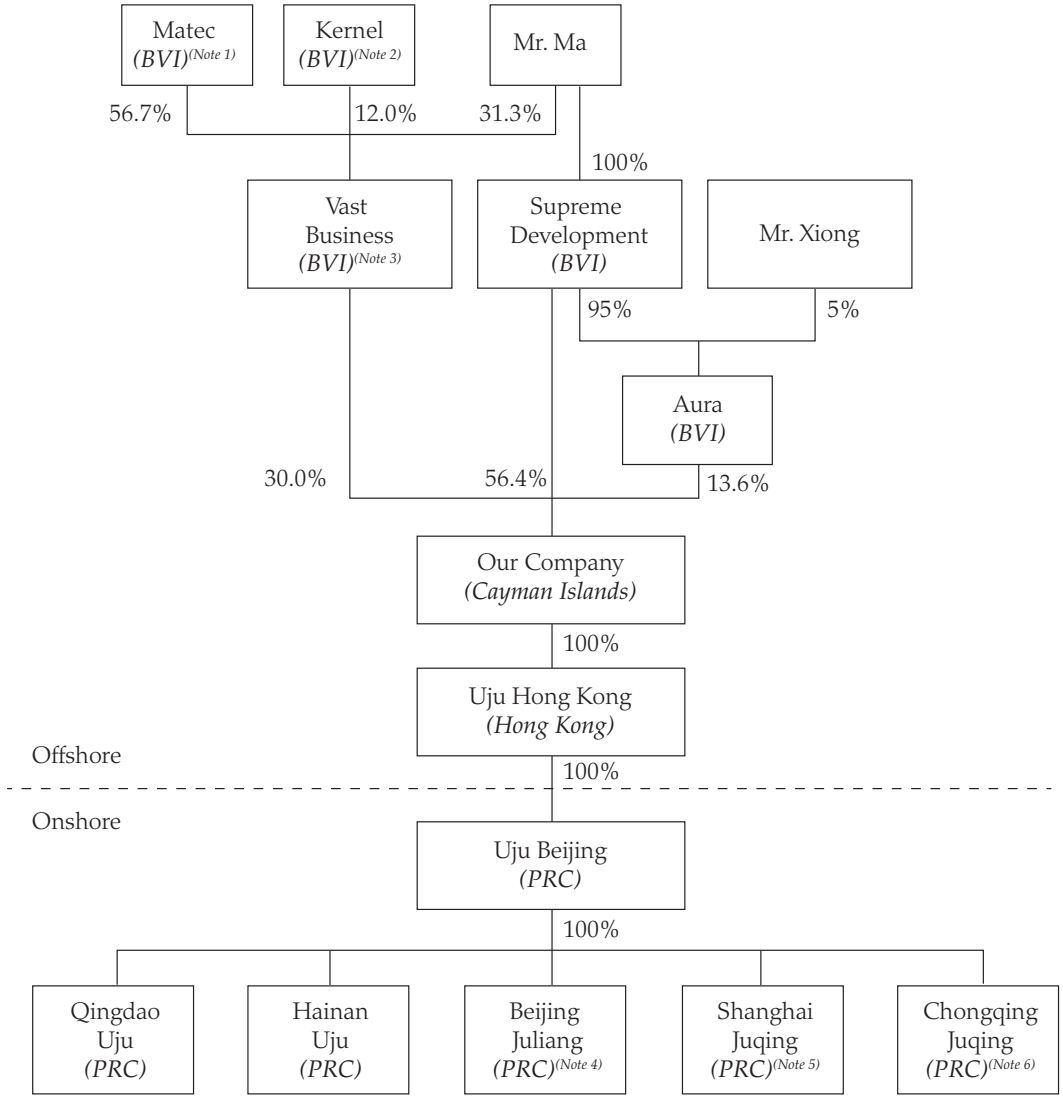
Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on September 21, 2020, with authorized share capital of US$50,000 divided into 50,000 Shares. On the date of incorporation and immediately before the Reorganization, our Company was owned by Supreme Development as to 70% and Vast Business as to 30%, respectively.

On November 2, 2020, our Company incorporated Uju Hong Kong in Hong Kong for the purpose of holding our operating subsidiaries. On the same day, Uju Hong Kong allotted and issued 10,000 shares to our Company as initial subscriber.

On February 8, 2021, Supreme Development transferred a 13.6% interest in our Company to Aura, which is owned by Supreme Development as to 95% and Mr. Xiong as to 5%. For details, please refer to the paragraph headed "Pre-[**REDACTED**] Investments" in this section.

As part of the Reorganization and after several transfers, including the acquisition of all the equity interest in Uju Beijing by Uju Hong Kong, Uju Beijing was wholly-owned by Uju Hong Kong and became a wholly-owned subsidiary of our Company on March 3, 2021.

The following chart sets out the shareholding and corporate structure of our Group immediately following completion of the aforesaid transfers:



Notes:

1. Matec is one of the Vast Business Non-Voting Shareholders, which is owned as to approximately 58.8% by Mr. Peng, 23.6% by Mr. Xie Song (謝嵩先生), 8.8% by Ms. Luo and 8.8% by Ms. Meng Ran (孟冉女士).

2. Kernel is one of the Vast Business Non-Voting Shareholders, which is owned as to approximately 27.8% by Mr. Sun Liancai (孫連才先生), 27.8% by Mr. Zhang Wenyue (張文岳先生), 13.9% by Ms. Li Xiaohong (李小紅女士), 13.9% by Mr. Li Zhao (李釗先生), 13.9% by Mr. Song Wende (宋文德先生), 1.4% by Ms. Li Meiyi (李美一女士) and 1.4% by Mr. Liu Jingyu (劉靖宇先生).

3. As of the Latest Practicable Date, Mr. Ma holds all the management shares (representing 31.3% of all the issued shares of Vast Business), has the overall management power and controls the exercise of 100% of the voting rights at the general meeting of Vast Business at his sole and absolute discretion while Matec and Kernel only hold non-voting participating shares (representing 56.7% and 12.0% of all the issued shares of Vast Business, respectively) and enjoy only the economic interest in Vast Business.

4. Beijing Juliang was established in the PRC on October 20, 2020 and is principally engaged in the research and development of our U-Engine platform.

5. Shanghai Juqing was established in the PRC on November 13, 2020 with an aim to establish our presence in the East China Region. Shanghai Juqing is principally engaged in online marketing solutions business.

6. Chongqing Juqing was established in the PRC on March 10, 2021 and is principally engaged in the production of online short videos advertisements.

PRE-[REDACTED] INVESTMENTS

On January 30, 2020, Mr. Ma and Mr. Xiong reached the agreement regarding the First Pre-[**REDACTED**] Investment, pursuant to which Mr. Xiong had invested RMB3,750,000 for the equity interest in Uju Beijing, through Winston, wholly-owned by Mr. Xiong, which became a shareholder of Uju Beijing in September 2020 and its was agreed that, after completion of the Reorganization, Mr. Xiong's investment would be converted to an effective 0.68% equity interest (prior to other Pre-[**REDACTED**] Investors' investment and the [**REDACTED**]) of the proposed [**REDACTED**] vehicle of Uju Beijing through an investment holding company ultimately owned by Mr. Ma as to 95% and Mr. Xiong as to 5%. Accordingly, as part of the Reorganization, on February 8, 2021, Supreme Development transferred a 13.6% interest in our Company to Aura, which is owned by Supreme Development as to 95% and Mr. Xiong as to 5%. Mr. Xiong's effective interest in our Company is 0.68% after the said transfer.

On March 5, 2021, each of Aoji Education, Clever Gain, Market Harvest, Sky Infinity, Week8, Gaorong Partners Fund V-A and Gaorong Partners Fund V, as our Pre-[**REDACTED**] Investors, agreed to subscribe for an aggregate of 10.0% of the total issued share capital of our Company prior to the [**REDACTED**] and the [**REDACTED**].

A summary of the Pre-[**REDACTED**] Investments made by each of the Pre-[**REDACTED**] Investors and principal terms and conditions of the respective Pre-[**REDACTED**] Investment Agreements are set out below:

Pre-[REDACTED] Investor	Mr. Xiong	Clever Gain	Market Harvest	Aoji Education	Sky Infinity	Week8	Gaorong Partners Fund V-A	Gaorong Partners Fund V
Date of investment agreement	January 30, 2020	March 5, 2021	March 5, 2021	March 5, 2021	March 5, 2021	March 5, 2021	March 5, 2021	March 5, 2021
Consideration paid for investment	RMB3.75 million	HK$75 million	HK$45 million	HK$20 million	HK$10 million	HK$10 million	HK$5.2 million	HK$34.8 million
Basis of consideration	The consideration was determined with reference to an agreed valuation of approximately RMB551.5 million which was arrived after arm's length negotiation between the parties thereto by taking into consideration of, among others, (i) the then business and financial conditions and uncertainties of Uju Beijing; (ii) the status of Uju Beijing as a private company; (iii) Mr. Xiong was not granted any divestment right or other special rights and would bear the risk of investment in a private company; and (iv) material adverse impact on the then valuation of the business as a result of the uncertainty on the future growth of Uju Beijing in early 2020 attributed to the outbreak of COVID-19 Pandemic.	The consideration was determined with reference to an agreed valuation of approximately HK$2.0 billion which was arrived after arm's length negotiation between the parties thereto by taking into consideration of, among others, (i) the business and financial conditions of Uju Beijing; (ii) the status of our Group as a private company; and (iii) the relevant Pre-[**REDACTED**] Investors were not granted any divestment right or other special rights and would bear the risk of investment in a private company.						

Pre-[REDACTED] Investor	Mr. Xiong	Clever Gain	Market Harvest	Aoji Education	Sky Infinity	Week8	Gaorong Partners Fund V-A	Gaorong Partners Fund V
Date on which the consideration was fully settled	November 18, 2020	March 5, 2021	March 5, 2021	March 9, 2021	March 9, 2021	March 5, 2021	March 5, 2021	March 5, 2021
Number of Shares and approximate percentage of shareholding in our Company immediately upon [REDACTED] (Note 1)	[REDACTED] Shares [REDACTED]	[REDACTED] Shares [REDACTED]	[REDACTED] Shares [REDACTED]	[REDACTED] Shares [REDACTED]	[REDACTED] Shares [REDACTED]	[REDACTED] Shares [REDACTED]	[REDACTED] Shares [REDACTED]	[REDACTED] Shares [REDACTED]
Investment cost per Share	Approximately HK$[REDACTED]	Approximately HK$[REDACTED]	Approximately HK$[REDACTED]	Approximately HK$[REDACTED]	Approximately HK$[REDACTED]	Approximately HK$[REDACTED]	Approximately HK$[REDACTED]	Approximately HK$[REDACTED]

Pre-[REDACTED] Investor	Mr. Xiong	Clever Gain	Market Harvest	Aoji Education	Sky Infinity	Week8	Gaorong Partners Fund V-A	Gaorong Partners Fund V
Discount to the mid-point of the indicative [REDACTED] range (Note 2)	Approximately [**REDACTED**] (Note 3)	Approximately [**REDACTED**] (Note 3)	Approximately [**REDACTED**] (Note 3)	Approximately [**REDACTED**] (Note 3)	Approximately [**REDACTED**] (Note 3)	Approximately [**REDACTED**] (Note 3)	Approximately [**REDACTED**] (Note 3)	Approximately [**REDACTED**] (Note 3)
Use of proceeds	Since the First Pre-[**REDACTED**] Investment involves the sale of interest in the Group owned by Mr. Ma ultimately, the proceeds of the transfer did not belong to the Company.	As of the Latest Practicable Date, proceeds from the Pre-[**REDACTED**] Investments had been fully utilized as working capital of our Group and for payment of professional fees in preparation of the [**REDACTED**] and settlement of consideration under the Reorganization.						
Lock-up period	Each of the Pre-[**REDACTED**] Investors shall not dispose of, nor enter into an agreement to dispose of any of the Shares held upon [**REDACTED**], at any time during the period of six months commencing on the [**REDACTED**] (the "First Six Months Period") and shall not dispose of, nor enter into an agreement to dispose of more than half of the Shares held upon [**REDACTED**], at any time during the period of six month commencing on the date which the First Six Months Period expires.							
Public float	Save for being a Pre-[**REDACTED**] Investor and Mr. Xiong being a former director of Uju Beijing, each of the Pre-[**REDACTED**]In vestors and their ultimate beneficial owners is not a connected person of our Company and is Independent Third Party. In the view of (i) the Pre-[**REDACTED**] Investors are not core connected persons; (ii) as represented by each of the Pre-[**REDACTED**] Investors, it and its beneficial owner(s) are independent of and not acting upon or accustomed to take instructions from any core connected persons of our Company in relation to the acquisition, disposal, voting or other disposition of securities of our Company registered in its/their name or otherwise held by it/them , nor directly or indirectly, financed by any core connected persons of our Company; and (iii) none of the Pre-[**REDACTED**] Investors will become a substantial shareholder of our Company upon [**REDACTED**], the Shares held by the respective Pre-[**REDACTED**] Investors (other than Mr. Xiong) immediately after [**REDACTED**] will be considered as part of the public float after [**REDACTED**] for the purpose of Rule 8.08 of the Listing Rules. Mr. Xiong was appointed and registered as a director of Uju Beijing on September 28, 2020 taking non-executive role and did not involve in the daily management and operations of Uju Beijing. He subsequently resigned on April 6, 2021, to conform with his role as passive investor and to allow the board of Uju Beijing consists only the core management team of our Group. He confirmed that he had no claim against our Company whatsoever whether arising from or in connection with fees, remuneration, pension or compensation for loss of office of director, and that he had no unresolved claim with our Company and had no claim against our Company for any other reasons.							

Pre-[REDACTED] Investor	Mr. Xiong	Clever Gain	Market Harvest	Aoji Education	Sky Infinity	Week8	Gaorong Partners Fund V-A	Gaorong Partners Fund V
Any Special Rights surviving upon the [REDACTED]	No such special right							
Reason for investment and the benefit brought to our Group	Given our reputation in the online marketing business and our performance during the Track Record Period, each of the Pre-[**REDACTED**] Investors is confident in our future development and the growth potential of the online short video marketing business and hence decided to invest in our Group. Our Directors are of the view that our Company could benefit from Pre-[**REDACTED**] Investors' commitment to our Company as their investment demonstrates their confidence in the operations and future development of our Group and serves as an endorsement of our Group's performance, strength and prospects.							

Notes:

1. For illustration purpose only, the approximate percentage of shareholding in our Company immediately upon [**REDACTED**] is calculated on the basis of our enlarged issued share capital immediately following the [**REDACTED**] and the [**REDACTED**] (excluding any Share which may be allotted and issued upon the exercise of the [**REDACTED**] and any option which may be granted under the Share Option Scheme). In respect of number of Shares owned by Mr. Xiong, it is calculated with reference to his effective interest in the Company owned indirectly through his 5% interest in Aura. In respect of number of Shares owned by Clever Gain, it is calculated without taking into account Shares which may be allocated to it in the [**REDACTED**]. For details, please see the section headed "[**REDACTED**]" in this document.

2. Based on the [**REDACTED**] of HK$[**REDACTED**] per Share (being the mid-point of the indicative [**REDACTED**] range).

3. Taking into account the basis of consideration and the investment risk in investing in a private company assumed by the Pre-[**REDACTED**] Investors when investing in our Group as our Group was a private company and as such the Shares held by the Pre-[**REDACTED**] Investors are not [**REDACTED**] on the [**REDACTED**] and the Pre-[**REDACTED**] Investors were not granted any divestment right or other special rights, the investment cost per Share paid by Mr. Xiong and other Pre-[**REDACTED**] Investors represent a discount of approximately [**REDACTED**]% and [**REDACTED**]% to the mid-point of the indicative [**REDACTED**] range, respectively. Further, since Mr. Xiong agreed to make the Pre-[**REDACTED**] Investment more than a year earlier as compared to other Pre-[**REDACTED**] Investors when (i) the then valuation of the business of Uju Beijing, which was materially affected by the uncertainty on the future growth of Uju Beijing in early 2020 attributed to the outbreak of COVID-19 Pandemic and (ii) the financial performance of our Group for the year ended December 31, 2020 was not fully available at that time, Mr. Xiong exposed to a higher investment risk and hence resulted in a higher discount to the [**REDACTED**]. As demonstrated from the rapid growth and expansion of our Group during the Track Record Period, our Directors believe that our Group will continue to grow and expand rapidly, which as a result will lead to a considerable increase in our Group's valuation at the time of [**REDACTED**].

Information about the Pre-[REDACTED] Investors

(1) Mr. Xiong

Mr. Xiong has over 20 years of experience in the investment industry. Mr. Xiong has been serving as the managing partner of Meridian Capital Management Co., Ltd.* (華映資本管理有限公司) ("**Meridian Capital**") since January 2010. Mr. Xiong served as the president of Kubao Information Technology (Shanghai) Limited from September 2004 to December 2009 and an investment director of Shanghai Pacific Technology Venture Co., Ltd.* (上海太平洋技術創業有限公司), the subsidiary of IDG Technology Venture Investments Inc., from October 1994 to August 2004. During the past, the funds or companies managed or advised by him have invested in many telecommunication media and technology companies, such as Trip.com Group Limited (the shares of which are listed on the Nasdaq Global Market, stock code: TCOM), NetDragon Websoft Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 0777), Tian Ge Interactive Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 1980) ("**Tian Ge**") and East Money Information Co., Ltd. (東方財富信息股份有限公司) (the shares of which are listed on the Shanghai Stock Exchange, stock code: 300059). Mr. Xiong is also a non-executive director of Tian Ge.

Mr. Xiong invested in our Company through a minority interest of 5% of Aura, which is an investment holding company incorporated in the BVI and is owned by Supreme Development as to 95% and Mr. Xiong as to 5%. Mr. Xiong's investment was funded by his own personal resources. Mr. Xiong became acquainted with Mr. Ma in the events held by Guangzhou Vipshop Information Technology Co., Ltd. (廣州唯品會信息科技有限公司) for its potential investors ("**Guangzhou Vipshop**") in around 2011, which Mr. Xiong attended the events in the capacity of the managing partner of Meridian Capital (which was one of the potential investors of Guangzhou Vipshop). As Mr. Xiong has over 20 years of experience in the investment industry, our Directors are of the view that Mr. Xiong's investment demonstrated his confidence in the operations and future development of our Group and serves as an endorsement of our Group's performance, strength and prospects which may in turn attract other investors. Subsequently, Mr. Xiong introduced Week8 to our Company and Week8 became one of our Pre-[**REDACTED**] Investors.

(2) Clever Gain

Clever Gain is an investment holding company incorporated in the BVI and is beneficially owned by a family trust set up by Mr. Yang Zhifeng.

Mr. Yang Zhifeng has over 25 years of investment experience and he primarily invests in companies engaging in the new economy, new consumption and medical fields. Mr. Yang Zhifeng is currently the director of The Pacific Securities Co., Ltd. (太平洋證券股份有限公司), a company whose shares are listed on the Shanghai Stock Exchange (stock code: 601099), and is primarily engaged in securities underwriting, securities proprietary trading and agency trading and acting as sponsors in initial public offering projects. He is also currently the chairman and general manager of Jinchance New Energy Capital Co., Ltd.* (景成新能源投資有限公司), which is primarily engaged in the investment and

research and development of new energy. He was the director and co-vice chairperson of Concord New Energy Group Limited (formerly known as China Wind Power Group Limited), a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 00182) and is primarily engaged in power generation.

Mr. Yang Zhifeng became acquainted with the Company through the introduction by an employee of Uju Beijing, who is responsible for investor relationship and is a friend of Mr. Yang Zhifeng, in late 2020. Tibet Caibang Energy Equipment Co., Ltd.* (西藏財邦能源裝備有限公司) ("**Tibet Caibang**"), a company controlled by Mr. Yang Zhifeng and his spouse, entered into a loan agreement dated 18 January 2021 and a supplemental loan agreement dated 12 April 2021 with Uju Beijing (collectively, the"**Loan Agreements**"). Pursuant to the Loan Agreements, Tibet Caibang agreed to lend and Uju Beijing agreed to borrow RMB40 million, among which RMB20 million has been repaid as of the Latest Practicable Date.

Clever Gain is one of the [**REDACTED**]. For details, please see the section headed "[**REDACTED**]" in this document.

(3) Market Harvest

Market Harvest is an investment holding company incorporated in the BVI and is wholly-owned by Ms. Liu Yan (劉妍女士). Ms. Liu Yan is a shareholder and director of Dragon Capital Management Limited, which manages Dragon Capital Fund I L.P. ("**Dragon Capital**"). Dragon Capital is a private equity fund with approximately US$300 million of assets under management and specializes in investments within technology, media and telecom, consumer and healthcare sectors.

Ms. Liu Yan, through her working experience, accumulates experience in investing in the technology and media sectors and she is confident in the growth and development potential of the online marketing industry. Ms. Liu Yan became acquainted with the Company through the introduction by an employee of Uju Beijing, who is responsible for investor relationship and is a friend of Ms. Liu Yan's husband, in early 2021.

(4) Aoji Education

Aoji Education is an investment holding company incorporated in the BVI. The Aoji Education group was established in 1990 and has been principally engaged in providing education services in the PRC, including study aboard services and language training services, for more than 20 years. It has 33 branches in the PRC, two language training schools and one international school. Apart from providing education services, Aoji Education also provides migration advisory services, overseas wealth management services and overseas investment advisory services. Mr. Zong Liping is the director and sole beneficial owner of Aoji Education.

Beijing Aoji Cultural Exchange Co., Ltd.* (北京澳際文化交流有限公司), a subsidiary of Aoji Education, was a customer of Uju Beijing in 2019 though the revenue contribution was insignificant for the year ended December 31, 2019. Mr. Zong Liping is optimistic in the future development and growth potential of the online marketing industry and he decided to invest in our Group as he is optimistic in the growth potential of our Group, having considered our reputation, our satisfactory performance throughout the Track Record Period, our reputable and broad premium media partners base and diversified and fast-growing advertiser base, our reputable and experienced management team as well as the prospect of the online marketing business in light of the rapid expansion of the online short video marketing industry.

(5) Sky Infinity

Sky Infinity is an investment holding company incorporated in the BVI and is beneficially owned by a family trust set up by Mr. Hoi Wa Fong. Sky Infinity specializes in investments within healthcare, consumption and technology sectors.

Mr. Hoi Wa Fong has over 18 years of experience in the real estate industry. He is currently a shareholder and an executive director of Powerlong Real Estate Holdings Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 01238) and is principally engaged in property development, investment and management. He is also currently an executive director of Powerlong Commercial Management Holdings Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 09909) and is principally engaged in providing commercial operational services and residential property management services.

Mr. Hoi Wa Fong is Mr. Ma's schoolmate at Cheung Kong Graduate School of Business (長江商學院). The business of our Group falls under the specialization of Sky Infinity and it decided to invest in our Group as it is optimistic in the growth potential of our Group, having considered our reputation, our satisfactory performance throughout the Track Record Period, our reputable and broad premium media partners base and diversified and fast-growing advertiser base, our reputable and experienced management team as well as the prospect of the online marketing business in light of the rapid expansion of the online short video marketing industry.

(6) Week8

Week8 is an investment holding company incorporated in Singapore and is an indirect wholly-owned subsidiary of Tian Ge and is primarily engaged in operating live social video communities.

Week 8 became acquainted with the Group through Mr. Xiong, the current non-executive director of Tian Ge, in early 2021.

(7) Gaorong Partners Fund V-A

Gaorong Partners Fund V-A is an exempted limited partnership established in the Cayman Islands and there are one general partner and 16 limited partners. Gaorong Partners Fund V-A is controlled by its general partner, namely Gaorong Partners V Ltd., which is owned and controlled by Mr. Zhang Zhen, Mr. Gao Xiang and Mr. Yue Bin. Gaorong Partners Fund V-A is held entirely by its limited partners, which comprise (i) Gaorong Associates V, LP (holding approximately 66.7% of the interest in Gaorong Partners Fund V-A); (ii) a private limited company which is held by a private individual (holding approximately 13.3% of the interest in Gaorong Partners Fund V-A); and (iii) the other 14 limited partners (each holding less than 10% of the interest in Gaorong Partners Fund V-A). Each of the limited partners of Gaorong Partners Fund V-A is independent from each other.

Gaorong Associates V, LP is a limited partnership involved in investment holding, with Gaorong Partners V Ltd. being its general partner and beneficially owned and controlled by Mr. Zhang Zhen, Mr. Gao Xiang and Mr. Yue Bin as limited partners.

Regarding the remaining 14 limited partners of Gaorong Partners Fund V-A, they are investors including individuals and companies with limited liability which generally comprise high net-worth individuals and family office, principally engaged in equity investment. None of these limited partners holds more than 10% interest in Gaorong Partners Fund V-A.

To the best knowledge of the Directors, each of Gaorong Partners Fund V-A and its ultimate beneficial owners are Independent Third Parties.

Gaorong Partners Fund V-A focuses on investments in new consumption and new technology, with investors including top tier sovereign and pension funds, university endowments, family offices and leading corporates across multiple industries ranging from finance to internet.

The investment team of Gaorong Partners V Ltd. became acquainted with the Company through the introduction by an employee of Uju Beijing, who is responsible for investor relationship, in early 2021.

(8) Gaorong Partners Fund V

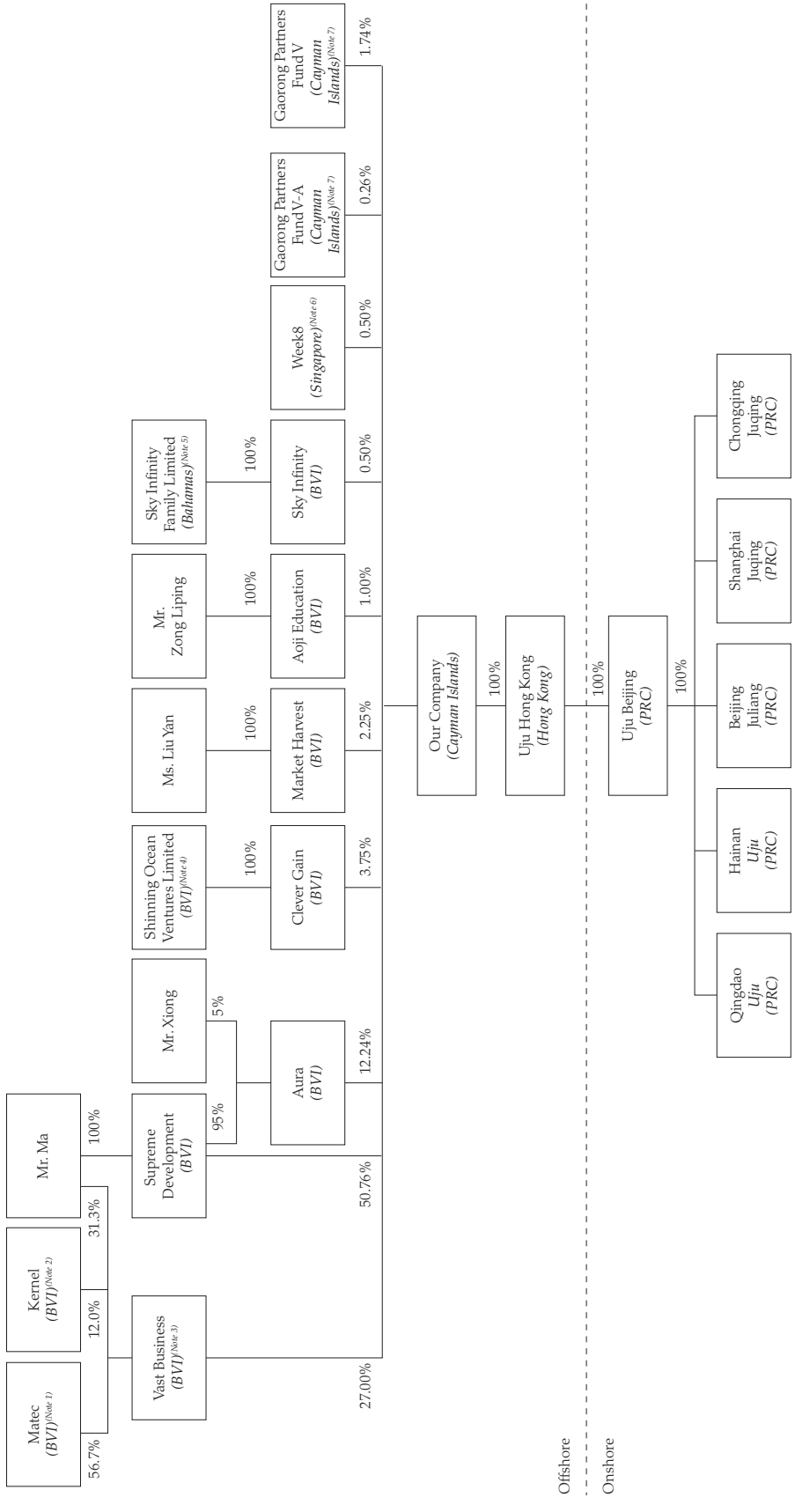
Gaorong Partners Fund V is an exempted limited partnership established in the Cayman Islands and there are one general partner and 71 limited partners. Gaorong Partners Fund V is controlled by its general partner, namely Gaorong Partners V Ltd. All of its limited partners are interested in less than 10% of the limited partnership interest in the Gaorong Partners Fund V. To the best knowledge of Gaorong Partners Fund V, the limited partners of Gaorong Partners Fund V generally comprise fund of funds, endowment, charitable organisation and foundations and high net-worth individuals and each of its limited partners is independent from each other. Gaorong Partners Fund V focuses on investments in new consumption and new technology, with investors including top tier sovereign and pension funds, university endowments, family offices and leading corporates across multiple industries ranging from finance to internet. See the paragraph headed "Pre-[**REDACTED**] Investments — Information About the Pre-[**REDACTED**] Investors — (7) Gaorong Partners Fund V-A" in this section for further information on Gaorong Partners V Ltd.

Save as disclosed in this section, to the best knowledge of our Directors and as confirmed by the Pre-[**REDACTED**] Investors, the Pre-[**REDACTED**] Investors and their respective ultimate beneficial owners, investment manager, general and limited partners (where applicable), did not and does not have any past or present relationships with our Group, our Controlling Shareholders, our Directors and members of senior management and any of their associates.

Confirmation from the Sole Sponsor

The Sole Sponsor confirms that the Pre-[**REDACTED**] Investments are in compliance with (i) the Guidance Letter HKEx-GL-29-12 issued by the Stock Exchange in January 2012 and as updated in March 2017; and (ii) the Guidance Letter HKEx-GL43-12 issued by the Stock Exchange in October 2012 and as updated in July and March 2017.

The following chart sets out the shareholding structure of our Group immediately before completion of the [**REDACTED**] and the [**REDACTED**]:



Notes:

1. Matec is one of the Vast Business Non-Voting Shareholders, which is owned as to approximately 58.8% by Mr. Peng, 23.6% by Mr. Xie Song (謝嵩先生), 8.8% by Ms. Luo and 8.8% by Ms. Meng Ran (孟冉女士).

2. Kernel is one of the Vast Business Non-Voting Shareholders, which is owned as to approximately 27.8% by Mr. Sun Liancai (孫連才先生), 27.8% by Mr. Zhang Wenyue (張文岳先生), 13.9% by Ms. Li Xiaohong (李小紅女士), 13.9% by Mr. Li Zhao (李釗先生), 13.9% by Mr. Song Wende (宋文德先生), 1.4% by Ms. Li Meiyi (李美一女士) and 1.4% by Mr. Liu Jingyu (劉靖宇先生).

3. As of the Latest Practicable Date, Mr. Ma holds all the management shares (representing 31.3% of all the issued shares of Vast Business), has the overall management power and controls the exercise of 100% of the voting rights at the general meeting of Vast Business at his sole and absolute discretion while Matec and Kernel only hold non-voting participating shares (representing 56.7% and 12.0% of all the issued shares of Vast Business, respectively) and enjoy only the economic interest in Vast Business.

4. Clever Gain was ultimately owned by a family trust established by Mr. Yang Zhifeng for himself and his family.

5. Sky Infinity Family Limited was ultimately owned by a family trust established by Mr. Hoi Wa Fong for himself and his family.

6. Week8 is ultimately wholly-owned by Tian Ge Interactive Holdings Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 1980).

7. The general partner of each of Gaorong Partners Fund V-A and Gaorong Partners Fund V is Gaorong Partners V Ltd.

PRC LEGAL COMPLIANCE

Corporate structure and Reorganization

Our PRC Legal Advisors have confirmed that (i) the PRC companies in our Group as described in this section have been duly established, (ii) all necessary regulatory approvals, permits and licenses in respect of the incorporation and changes of the PRC companies have been obtained in accordance with PRC laws, and (iii) all share transfers and changes in registered capital of the PRC subsidiaries as part of the Reorganization have complied with all applicable PRC Laws in all material respects.

Compliance with the M&A Rules

According to the M&A Rules, merger and acquisition of a domestic company with a related party relationship by a domestic company, enterprise or natural person in the name of an overseas company legitimately incorporated or controlled by the domestic company, enterprise or natural person shall be subject to examination and approval by the MOFCOM. An offshore special vehicle, or a special purpose vehicle, formed for listing purposes and controlled directly or indirectly by PRC companies or individuals, shall obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange.

Our PRC Legal Advisors are of the opinion that the M&A Rules is not applicable because Uju Beijing was a foreign-invested company when Uju Hong Kong acquired equity interests in Uju Beijing. Accordingly, our PRC Legal Advisors are of the opinion that prior MOFCOM and CSRC approvals under the M&A Rules are not required.

SAFE Registration in the PRC

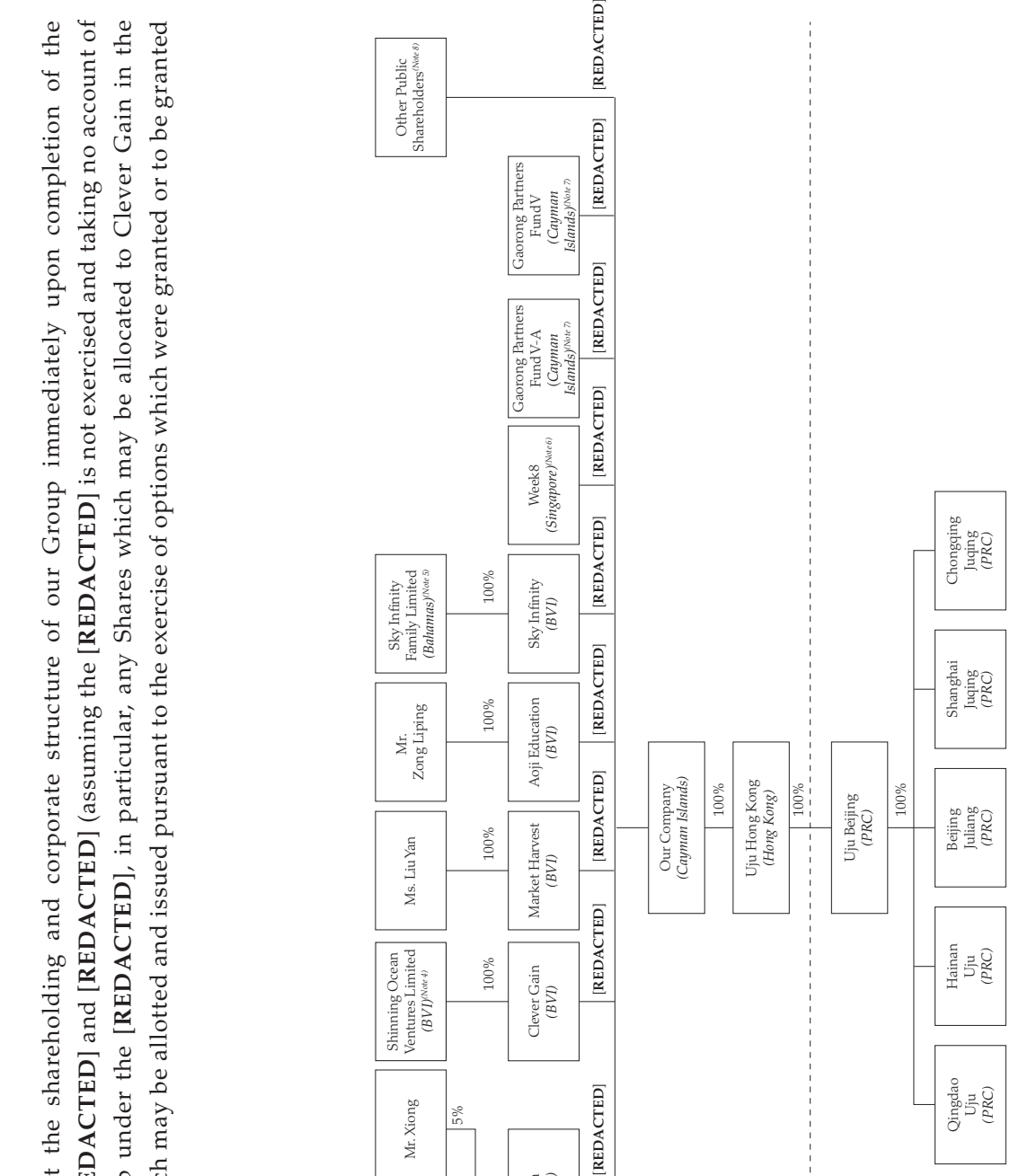
The SAFE Circular No. 37 requires a PRC individual resident (the "**PRC Resident**") to register with the local SAFE branch before he or she contributes assets or equity interest in an overseas special purpose vehicle (the "**Offshore SPV**") that is directly established or indirectly controlled by the PRC Resident for the purpose of conducting investment or financing. Following the initial registration, upon changes in basic information including (amongst others) PRC Resident shareholder, name or term of operation, or changes in material issues including (amongst others) capital increase or capital decrease, equity transfer or swap, merger or split, the Offshore SPV shall complete the registration procedures for the changes in a timely manner.

Failure to comply with the registration procedures of SAFE Circular No. 37 may result in penalties and sanctions, including the imposition of restrictions on the ability of the offshore special purpose vehicles' PRC subsidiary to distribute dividends to its overseas parent.

On February 13, 2015, SAFE released the Notice on Further Simplifying and Improving Foreign Exchange Administration Policies for Direct Investment (Hui Fa [2015] No. 13) (《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》(匯發[2015]13號)), which came into effect on June 1, 2015. The Notice replaces the foreign direct investment (the "**FDI**") and offshore direct investment (the "**ODI**") registrations at SAFE with FDI and ODI registrations at qualified banks, which SAFE and its local branches will supervise indirectly. The registration under SAFE Circular No. 37 is under the catalog of FDI and it shall be registered at such qualified banks mentioned above.

Our PRC Legal Advisors have confirmed that each of Mr. Ma, Kernel Employee Shareholders and Matec Employee Shareholders, being PRC individual residents, has completed the foreign exchange registrations in respect of his/her foreign investment in our Group as of December 29, 2020 in accordance with SAFE Circular No. 37.

The following chart sets out the shareholding and corporate structure of our Group immediately upon completion of the Pre-[**REDACTED**] Investments, [**REDACTED**] and [**REDACTED**] (assuming the [**REDACTED**] is not exercised and taking no account of any Shares which may be taken up under the [**REDACTED**], in particular, any Shares which may be allocated to Clever Gain in the [**REDACTED**], and any Shares which may be allotted and issued pursuant to the exercise of options which were granted or to be granted under the Share Option Scheme):



Notes:

1. Matec is one of the Vast Business Non-Voting Shareholders, which is owned as to approximately 58.8% by Mr. Peng, 23.6% by Mr. Xie Song (謝嵩先生), 8.8% by Ms. Luo and 8.8% by Ms. Meng Ran (孟冉女士).

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3. As of the Latest Practicable Date, Mr. Ma holds all the management shares (representing 31.3% of all the issued shares of Vast Business), has the overall management power and controls the exercise of 100% of the voting rights at the general meeting of Vast Business at his sole and absolute discretion while Matec and Kernel only hold non-voting participating shares (representing 56.7% and 12.0% of all the issued shares of Vast Business, respectively) and enjoy only the economic interest in Vast Business.

4. Clever Gain was ultimately owned by a family trust established by Mr. Yang Zhifeng for himself and his family.

5. Sky Infinity Family Limited was ultimately owned by a family trust established by Mr. Hoi Wa Fong for himself and his family.

6. Week8 is ultimately wholly-owned by Tian Ge Interactive Holdings Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 1980).

7. The general partner of each of Gaorong Partners Fund V-A and Gaorong Partners Fund V is Gaorong Partners V Ltd.

8. Save for Mr. Xiong, each of the Pre-[**REDACTED**] Investors and their ultimate beneficial owners is not a connected person of our Company and is Independent Third Party. In the view of (i) the Pre-[**REDACTED**] Investors are not core connected persons; (ii) as represented by each of the Pre-[**REDACTED**] Investors, it and its beneficial owner(s) are independent of and not acting upon or accustomed to take instructions from any core connected persons of our Company in relation to the acquisition, disposal, voting or other disposition of securities of our Company registered in its/their name or otherwise held by it/them, nor directly or indirectly, financed by any core connected persons of our Company; and (iii) none of the Pre-[**REDACTED**] Investors will become a substantial shareholder of our Company upon [**REDACTED**], the Shares held by the respective Pre-[**REDACTED**] Investors (other than Mr. Xiong) immediately after [**REDACTED**], representing approximately [**REDACTED**]% of the total issued share capital of the Company in aggregate, will be considered as part of the public float after [**REDACTED**] for the purpose of Rule 8.08 of the Listing Rules (taking no account of any Shares which may be allocated to Clever Gain in the [**REDACTED**]). Taking into account approximately [**REDACTED**]% of the total issued share capital of the Company which shall be held by other public shareholders, it is expected that the requirement on minimum public float of 25% under Rule 8.08 of the Listing Rules will be fulfilled.

OVERVIEW

We are one of fast-growing market players, despite our short operating history since 2018 in China's emerging and rapid-growing online short video marketing solutions industry. We mainly generate our revenue by providing one-stop cross-media online marketing solutions, in particular online short video marketing solutions, through our media partners for our advertiser customers to market their products and services. Under the all-in-one service, our revenue is generated by providing customized marketing solutions by planning, producing, placing and optimizing online advertisements, especially online short video advertisements, to help our advertiser customers acquire, convert and retain final consumers on various leading online media platforms. We establish recognized and long-term partnership with a broad base of premium media partners, including leading online short video platforms, social media platforms and search engine platforms in China, and offer them opportunities to monetize their ad inventories and user traffic more effectively and efficiently. We also provide traffic acquisition service only to distribute the advertisements on the online media platforms designated by the advertisers, revenue generated from which is recognized under advertisement distribution service.

We operate in a fragmented, competitive and rapid-growing industry where the size of online marketing market in China, as measured by marketing gross billing, according to iResearch, increased significantly from RMB218.5 billion in 2015 to RMB766.6 billion in 2020, and is expected to further grow at a CAGR of 16.7% from RMB766.6 billion in 2020 to RMB1,657.3 billion in 2025. According to iResearch, we contributed to approximately 1.1% of the total marketing gross billing of China's online marketing market in 2020. The online short video marketing market is an important component and driver of the overall online marketing market. Its market size, in terms of the percentage of the market size of online marketing market, has grown significantly from 6.1% in 2018 to 24.1% in 2020, and is expected to increase to 42.5% in 2025 according to iResearch. The online short video marketing market in China, in terms of the total online short video marketing gross billing, increased significantly at a CAGR of 147.3% from RMB30.2 billion in 2018 to approximately RMB184.6 billion in 2020, and is expected to further grow at a CAGR of 30.7% from RMB184.6 billion in 2020 to RMB704.3 billion in 2025 according to the same source. Meanwhile, according to iResearch, we ranked the second largest online marketing service provider in China in terms of gross billing generated from online short video advertisements placed on online media platforms in 2020 with market share of approximately 3.0%[1]. We also ranked the second largest online marketing service provider in China in terms of gross billing generated from advertisements placed on online short video platforms in 2020 with market share of approximately 3.9%[1]. In addition, we ranked the largest online marketing service provider in China in terms of gross billing generated from advertisements placed by general e-commerce platform advertisers on online short video platforms in 2020 with market share of approximately 16.0% according to the same source.

Note:

1 Both markets are sub-sectors of the PRC online marketing market.

Our rapid growth, in particular, the revenue growth during the Track Record Period was mainly attributable to (i) the rapid growth of online short video marketing industry since 2018; and (ii) our strengths in content production capabilities, market-oriented technology strengths and insightful management leadership to build and develop strong advertiser customer and media partner bases. We were dedicated to providing high-quality, attention-catching and effective online short video marketing solutions since our incorporation in 2017. As a result of the increasing popularity of online short videos, prevalence of internet mobile devices and upgraded information technology infrastructure, China's online short video marketing market experienced significant growth since 2018 and its market shares increased to 6.1% of the total online marketing market in the same year. We were able to enjoy customer and media partner network effects and achieve rapid growth in line with the fast development of online short video marketing solutions market.

During the Track Record Period, our total revenue generated from online marketing solutions business increased significantly from RMB1,156.3 million in 2018 to RMB3,450.9 million in 2019 and further to RMB6,360.7 million in 2020 and increased from RMB1,441.3 million for the four months ended April 30, 2020 to RMB2,214.2 million for the four months ended April 30, 2021. Our profit for the year increased rapidly from RMB50.1 million in 2018 to RMB81.9 million in 2019 and further to RMB133.2 million in 2020 and increased from RMB12.6 million for the four months ended April 30, 2020 to RMB68.6 million for the four months ended April 30, 2021. In particular, our total gross billing generated from online marketing solutions business increased significantly from RMB1,972.4 million in 2018 to RMB5,152.2 million in 2019 and further to RMB8,767.5 million in 2020 and increased from RMB2,046.5 million for the four months ended April 30, 2020 to RMB3,123.5 million for the four months ended April 30, 2021. The average gross billing generated by each advertiser customer, which is measured by the total gross billing divided by the total number of our advertiser customers, increased from RMB4.1 million in 2018, to RMB6.8 million in 2019 and further to RMB8.5 million in 2020 and increased from RMB3.6 million for the four months ended April 30, 2020 to RMB4.8 million for the four months ended April 30, 2021.

We see our robust content production capability as one of our core competences, enabling us to differentiate from and outperform our competitors in the market. As of the Latest Practicable Date, we had a content production team of 380 persons including editors, scriptwriters, directors and photographers and other supporting staff with the capacity to produce over 20,000 pieces of online short videos and marketing creatives each month. As of the Latest Practicable Date, we have built online short video shooting bases in Beijing and Chongqing, and both of them are equipped with professional equipment. In particular, our shooting bases in Beijing have a total area of over 5,000 square meters with over 30 different shooting scenarios, enabling us to cater to diverse short video demands and preferences of our advertiser customers from various industry verticals. We also established our online short video research center in 2019 to research the structure, elements, copywriting and consumer profile of popular online short videos, so as to seek the patterns behind such popularity to propose creative insights, innovative ideas as well as our know-how in delivering large-scale, creative and performance-based online short video marketing solutions.

We enjoy network effects in the online marketing solutions business as evidenced by the breath, size and quality of our premium media partner base and selected, diversified and fast-growing advertiser base. On the media front, we have established long-term partnerships with a broad base of premium media partners, including leading online short video platforms, social media platforms and search engine platforms in China. On the advertiser front, we served a variety of diversified and fast-growing advertiser customers who have strong needs for online marketing solutions. Our advertiser customers encompass a wide array of industry verticals, such as e-commerce, internet services, gaming, leisure & traveling, education, financial services and real estate & home furnishing industries. During the Track Record Period, the total number of our advertiser customers have increased rapidly from 484 in 2018 to 757 in 2019 and 1,028 in 2020 and increased from 565 for the four months ended April 30, 2020 to 651 for the four months ended April 30, 2021. As at the Latest Practicable Date, we had over 900 advertiser customers. The average gross billing generated by each advertiser customer, which is measured by the total gross billing divided by the total number of our advertiser customers, increased from RMB4.1 million in 2018, to RMB6.8 million in 2019 and RMB8.5 million in 2020, and increased from RMB3.6 million for the four months ended April 30, 2020 to RMB4.8 million for the four months ended April 30, 2021.

We integrated years of online marketing experiences and engaged some software developers in China to develop and launch our self-service U-Engine platform in April 2020. U-Engine platform is able to cater to our evolving and dynamic needs in the production of online marketing solutions, improving our services provided to advertiser customers and accumulating valuable operational data and information assets for our further content production. Specifically, U-Engine platform is equipped with a wealth of analysis tools and functional modules, covering the full range of the production, storage, intelligent placement, analysis & optimization and management campaigns of our creative online marketing solutions, enabling us to deliver our online marketing solutions in a more efficient and effective way.

During the Track Record Period, we were able to build up a strong advertiser customer base and media partner base despite our short operating history. Our Directors believe that this is primarily because we have a visionary management team and recruited a creative talent team dedicated to providing online short video marketing solutions, an emerging and niche form of online marketing solutions since our incorporation. We have been researching on the elements and driving forces of popular online short videos and developing its creative, insightful and effective know-hows in producing large scale of online short video marketing solutions. Meanwhile, our Directors and senior management are all veterans with sufficient and long-term experiences in online and offline marketing industries. In particular, they have sophisticated working experiences on business and media sides and build solid social connections for us to establish business relationships with both advertiser customers and media partners. See " — Our Competitive Strengths — Highly experienced management team" for details. As such, with the rapid growth of online short video marketing market since 2018, we, as a fast-growing player in the market, were able to provide high-quality, attention-catching and effective online marketing solutions to our advertiser customers, maximize their marketing results with limited advertising budgets and delivering satisfactory results in monetization of the user traffic for online media platforms. With the rapid growth of our business, we are now able

to enhance our advertiser customer base and media partner base through recommendations of our existing advertiser customers and media partners as well as our Company's reputations in the market.

Our Directors also believe that the core competencies that enable us to differentiate from and outperform our market peers to achieve significant growth during the Track Record Period are mainly in the following respects:

- We have strong and robust content production capabilities empowered by our online short video research center. Since the incorporation of the Company in 2017 and the foundation of the research center in 2019, we have been focusing on the research on the structure, elements, copywriting and consumer profile of popular online short videos, so as to seek the patterns behind such popularity and develop creative know-hows in producing high-quality, attention-catching and effective online short video solutions. Such researches enable us to accumulate market reputation in creativity and popularity and greatly contributed to our rapid growth and profitability during the Track Record Period. As at the Latest Practicable Date, we have also built online short video shooting bases in Beijing and Chongqing, and both of them are equipped with professional equipment. In particular, our shooting bases in Beijing have a total area of over 5,000 square meters with over 30 different shooting scenarios, enabling us to cater to diverse online short video demands and preferences of different advertiser customers from various industry vertical.

- We have developed our proprietary technology-based online marketing solutions services platform, the U-Engine platform, to support our business. The U-Engine platform had accumulated more than 6.40 million innovation data and over 248 million pieces of ad performance data as of the Latest Practicable Date, allowing our content production teams to explore cross-platform videos and graphic galleries, audience libraries and video creative database to formulate their marketing strategies. Meanwhile, the U-Engine platform covers the full range of the production, storage, intelligent placement, analysis & optimization and management campaigns of its creative online marketing solutions. Our content production team will be able to follow, review and optimize our ad campaigns on a real-time basis, so as to the maximize the marketing results for our advertiser customers. Also, the U-Engine platform utilizes visualized modules, structured data-based modules and algorithm-driven modules in the production and placement of our online marketing solutions, allowing us to produce large scales of online short video solutions in an more effective and efficient manner. In particular, our Directors are of the view that the U-Engine platform may outperform the similar products of our market peers and competitors in the following respective: (i) the U-Engine platform was developed and tailored to address the increasing marketing needs for online short video marketing solutions. Compared to its competing products in the market, the U-Engine platform was more focused on content production and was equipped with a comprehensive library of attractive online short video elements; and (ii) the

U-Engine platform was built to achieve the effective and efficient placement and optimization of the online marketing solutions. It not only allows our operation team to tailor make and place multiple online marketing solutions to different online media platforms simultaneously, but can also accumulate and analyse the ad performance data collected from the media partners for further solutions optimization.

- We have a sustainable revenue matrix to support the fast growth of our business. During the Track Record Period, we mainly focus on key account advertisers with higher marketing budgets to support our content production and technology enhancement. We also built a sizeable and diversified customer base in multiple industries such as e-commerce, gaming and education, all of which have demonstrated significant growing trend in terms of revenue. During the Track Record Period, we recorded significant growth in the total number of both of our direct advertisers and advertising agencies. In addition, we have been dedicated to all-in-one services, whose revenue accounted for substantial portion of our revenues as compared to that of advertisement distribution services. This has greatly helped us to build a growing advertiser customer and media partner bases, and we believe such value-added services will further improve our profitability in the long run.

Our Directors are of the view that our services are highly unlikely to be marginalised by the emergence of user-created content for commercialization on online media platforms, primarily because we enjoy the following strengths: (i) we enjoy comparative strengths in our lower costs of properties, equipment, props and sets as well as personnel training as a result of the economic scaling effects. As a result, we are able to produce and deliver large scale of online short video marketing solutions with lower production costs; (ii) we have established recognized partnership with a number of leading online media platforms and are able to deliver customized online short video solutions to different platforms, which further maximize the marketing results and user traffic monetization rates for our advertiser customers and media partners; (iii) we have attracted an increasing number of key account advertisers with higher marketing budget to spend on online marketing solutions, which enables us to further increase our spending to optimize the advertisements; and (iv) we enjoy strong network effects in collaboration with leading online media platforms. For instance, we are able to work with the experts from media partners to research and develop attractive online short video marketing solutions. In this regard, our Directors believe that user-created commercialization content solutions providers are not our direct competitors in the market. Based on the above, our Directors are of the view that the emergence of user-created content will not have any material impact to our business operation and financial performance.

OUR COMPETITIVE STRENGTHS

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

A top online marketing solutions provider, specialized in online short video marketing, in China enjoying rapid growth

We are one of the fast-growing market players in China's emerging and rapid-growing online short video marketing solutions industry despite our short operating history since 2018. According to iResearch, we ranked the second largest online marketing service provider in China in terms of gross billing generated from online short video advertisements placed on online media platforms in 2020 with market share of approximately 3.0%[1]. We also ranked the second largest online marketing service provider in China in terms of gross billing generated by advertisements placed on online short video platforms in 2020 with market share of approximately 3.9%[1]. In addition, we ranked the largest online marketing service provider in China in terms of gross billing generated from advertisements placed by general e-commerce platform advertisers on online short video platforms in 2020 with market share of approximately 16.0% according to the same source. With the rapid growth of the mobile internet industry and continuous technological advancement of network infrastructure featured by 5G technology commercialization, online short video marketing has become one of the most prevalent and important forms of advertising. In contrast to the conventional advertisements in forms of text and graphics, online short video advertisements provide target customers with an immersive marketing environment through the delivery of attractive, digestible and naturally-integrated information, thereby enabling advertisers to retain more final consumers. According to iResearch, the size of online short video marketing market in China, in terms of the total online short video marketing gross billing, increased significantly at a CAGR of 147.3% from RMB30.2 billion in 2018 to approximately RMB184.6 billion in 2020. Due to (i) the increased popularity of online short videos among audiences and advertisers; (ii) the prevalence of internet devices and upgraded information technology infrastructure such as 5G network; (iii) the availability of quality content in the online short video marketing market; as well as (iv) the improved audience experience empowered by technological innovation and progress such as AI and AR, the size of online short video marketing market, in terms of total online short video marketing gross billing, is expected to further grow at a CAGR of 30.7% from RMB184.6 billion in 2020 to RMB704.3 billion in 2025.

We have been dedicated to providing high-quality, attention-catching and effective online short video marketing solutions empowered by robust content production capabilities. During the Track Record Period, our total revenue generated from our online marketing solutions business increased rapidly from RMB1,156.3 million in 2018, to RMB3,450.9 million in 2019 and RMB6,360.7 million in 2020 and increased from RMB1,441.3 million for the four months ended April 30, 2020 to RMB2,214.2 million for the four months ended April 30, 2021. We believe our proven performance records during the Track Record Period are mainly attributable to (i) the rapid growth of online short video marketing solutions business in line with the fast expansion and explosive popularity of online short videos in China; and (ii) the increasing recognition by China's leading online media platforms for our high-quality and performance-based online marketing solutions as a result of our experienced management's visionary and solid marketing industry experiences and extensive media network.

Note:

1 Both markets are sub-sectors of the PRC online marketing market.

Premium media partner base and selected, diversified and fast-growing advertiser customer base

We enjoy strong network effects in the online short video marketing solutions business as evidenced by the breath, size and quality of our premium media partner base and selected, diversified and fast-growing advertiser base.

On the media front, we have established long-term partnerships with a broad base of premium media partners, including leading online short video platforms, social media platforms and search engine platforms in China. According to iResearch, we were among the largest online short video marketing solutions partners of China's leading online short video platforms in 2020, in terms of gross billing generated by advertisement placed on their platforms. In addition, we also established strong business cooperations with top social media platforms and major search engine platforms in China during the Track Record Period.

On the advertiser customer front, we served a variety of diversified and fast-growing advertiser customers who have strong needs for online marketing solutions. Our advertiser customers encompass a wide array of industry verticals, such as e-commerce, internet services, gaming, leisure & traveling, education, financial services and real estate & home furnishing industries. During the Track Record Period, the total number of our advertiser customers have increased rapidly from 484 in 2018 to 757 in 2019, and 1,028 in 2020 and increased from 565 for the four months ended April 30, 2020 to 651 for the four months ended April 30, 2021, while our average gross billing generated by each advertiser customer, which is measured by the total gross billing divided by the total number of our advertiser customers, increased from RMB4.1 million in 2018, to RMB6.8 million in 2019 and RMB8.5 million in 2020, and increased from RMB3.6 million for the four months ended April 30, 2020 to RMB4.8 million for the four months ended April 30, 2021. The total number of our advertiser customers with gross billing of over RMB10,000,000 on our online marketing solutions were 38, 71 and 97, respectively, for the years ended December 31, 2018, 2019 and 2020, and the retention rates of such advertiser customers were 92% in 2019 and 90% in 2020. The total number of our advertiser customers with gross billing of over RMB50,000,000 on our online marketing solutions, on the other hand, were 6, 22 and 34, respectively, for the years ended December 31, 2018, 2019 and 2020, and the retention rates of such customers were 100% in 2019 and 95% in 2020, respectively. The retention rate represents the percentage of the advertiser customers we have in a given financial year that we continue to retain in the following year.

Additionally, during the Track Record Period, the net dollar extension rates for our advertiser customers with gross billing of over RMB10,000,000 on our online marketing solutions were 50.7% in 2019 and 34.7% in 2020. The net dollar extension rates for our advertiser customers with gross billing of over RMB50,000,000 on our online marketing solutions were 64.7% in 2019 and 34.1% in 2020. Net dollar expansion rate is an indicator for the long term value of our business relationship with our advertiser customers and our ability to retain and grow revenue from such advertiser customers. We calculate net dollar expansion rate as a fraction, the denominator of which is the revenue contribution from such advertiser customers in one given year and the numerator of which is the increase in contribution from the same group of advertiser customers in the following year, expressed as a percentage. We recorded a lower net dollar extension rate in 2020 as compared to 2019, which was in general in line with the market trend. According to iResearch, the growth rate of the online marketing market was approximately 30.2% and 18.6% in 2019 and 2020, respectively. We recorded a higher growth rate than the online marketing market was primarily because we have focus more on the online short video marketing market, which demonstrated a higher growth rate according to the same source.

Leveraging our extensive coverage of top players in various industry verticals, we are able to accumulate in-depth understanding and knowledge in various industries, craft high-quality customized solutions precisely reaching target consumers and maximize our advertiser customers' return on marketing investment. Our rapidly expanding advertiser customers will in turn increase their marketing budgets allocated to us, enabling us to place more online short video advertisements on and further improve the ad inventory monetization efficiency for our premium media partners. We believe our close relationships with premium media partners and proven performance record with diverse advertiser customers will continue to support our rapid growth.

Robust and efficient content production capabilities in online short video marketing solutions

We see our robust creative content production capability as one of our core competences, enabling us to differentiate from and outperform our competitors in the market. Since 2018, we have been researching the consumer profile, accumulating deep understandings in the market trend and building a talented team that is able to address evolving needs of our advertiser customers. Compared to our competitors, we are more capable of formulating insightful and creative marketing initiatives, precisely identify final consumers and deliver attractive and tailor-made marketing solutions to maximize the marketing returns for our advertiser customers.

As of the Latest Practicable Date, we had an online short video creative and content production team of 380 persons, including editors, scriptwriters, directors and photographers and other supporting staff, with the capacity to produce over 20,000 pieces of short videos and marketing creatives each month. As of the Latest Practicable Date, we have built online short video shooting bases in Beijing and Chongqing, and both of them are equipped with professional equipment. In particular, our shooting bases in Beijing have a total area of over 5,000 square meters with over 30 different shooting scenarios, enabling us to cater to diverse online short video demands and preferences of different advertiser customers from various industry verticals. According to iResearch, due to the rise of China's leading online short video platforms, the advertising budgets allocated by advertiser customers to online short videos have increased significantly in recent years. To meet the rapidly increasing client demand, we also established a streamlined, performance-driven and data-based content production management system powered by our U-Engine platform, so as to produce, deliver and optimize massive-scale online short video advertisements efficiently and effectively.

We also established our online short video research center in 2019. Our research center mainly researches the structure, elements, copywriting and consumer profile of popular online short videos, so as to seek the patterns behind such popularity to propose creative insights, innovative ideas as well as our know-how in delivering large-scale, creative and performance-based online short video marketing solutions. For more details, see "— Our Creativity and Content Production Capability — Online Short Video Research Center" in this section.

Efficient, effective and proprietary online marketing solutions services platform — U-Engine platform

We integrated years of online marketing experiences and engaged some software developers to develop and launch our self-service U-Engine platform in April 2020. U-Engine platform is an intelligent online short video marketing solution placement, optimization and management platform which allows us to manage the service needs from our advertiser customers, produce and store online short video advertisement elements and place them on different online media platforms in a more effective and efficient manner. It can also help us accumulate valuable operational data and information assets for our further content production. Specifically, U-Engine platform is equipped with a wealth of analysis tools and functional modules, covering the full range of the production, storage, intelligent placement, analysis & optimization and management campaigns of our creative online marketing solutions.

In particular, the U-Engine platform is an AI-driven smart online advertising placement platform. We generally set up and operate advertising accounts for our advertiser customers on multiple leading Chinese online media platforms. Our U-Engine platform, on the other hand, allows us to transmit online short videos, ad creatives and campaign parameters to our advertiser customers' various advertising accounts through API connections with a single click, which will be further delivered to the final consumers based on the marketing parameters such as consumer tags, timing and bidding prices we later input on the online media platforms. In addition, the U-Engine platform is also able to review and analyze the performance of our online short video advertisement on a real-time basis. It enables our production team to identify key factors that drive the popularity of an online short video and factors that may need further optimization. This allows us to accumulate in-depth understandings of the market trends, profiles of final consumers and their preferences to deliver solutions with better marketing results to our advertiser customers.

Highly experienced management team

Our visionary, experienced and passionate senior management team has been essential in driving the growth of our business. Our founder, Chairman and Executive Director, Mr. Ma, has more than 12 years of relevant experience in marketing and advertising. He once served as the marketing and sales vice president of Vipshop (China) Co., Ltd., a company principally engaged in online retail business, where he was mainly responsible for formulating marketing strategies. Our Executive Director and chief executive officer, Mr. Peng Liang, has over 10 years of relevant experience in marketing and once served as senior manager in a variety of commercial marketing and e-commerce companies responsible for online marketing and brand building affairs. Our chief operating officer, Mr. Xie Song, has over 14 years of relevant experience in advertising. He once worked for Google Information Technology (Shanghai) Co., Ltd. for nearly nine years and served as a general manager of another information technology marketing consultancy services provider, responsible for affairs in relation to the design, production and publication of advertisements.

We believe that the extensive industry expertise, visions for creation and innovations, as well as strong execution proficiencies of our senior management team propels a successful implementation of our business strategies through the years of our operating history and will remain pivotal to the realization of our future plans.

OUR STRATEGIES

To further expand our businesses, we intend to pursue the following strategies:

Continue to upgrade our U-Engine platform with AI capabilities and SaaS technologies

We believe online marketing solutions driven by SaaS technology will be of great significance to our future business development. As such, we have independently developed and launched our U-Engine platform in April 2020 for self-refining of our marketing solutions. In the future, we will continue to increase our investment in the development and upgrading of U-Engine platform to further enhance our capacities in content production, marketing solutions distribution and performance optimization with AI capabilities and SaaS technologies.

We plan to connect the U-Engine platform with an increasing number of online media platforms through API connections and continue to develop, upgrade and utilize AI, algorithm-driven and machine-learning technologies to realize automatic, customized and massive placement of online marketing solutions. We also plan to engage professional IT technology and software service providers to develop AI robots to track, search and monitor the operation and performance of our online marketing solutions, and allow our content production team and advertiser customers to conduct dynamic, high-frequency, and real-time advertising effects optimization on the U-Engine platform.

Additionally, we will increase our spending on research and development on SaaS-based technologies to develop a digitalized service platform on the U-Engine platform, which will grant our advertiser customers, including direct advertisers and advertising agencies the access to this digitalized service platform and enable ourselves to provide all-stage all-in-one online marketing solutions and advertisement distributions services to our advertiser customers on an interactive and real-time basis. Upon the establishment of the digitalized service platform, our direct advertiser customers will be able to place their orders for online marketing solutions with us directly on this platform.

By accessing their accounts on the digitalized service platform, our direct advertiser customers can monitor the whole production process of the online advertisements and communicate with our content production team to amend the advertising campaign on a real-time basis. We will also build an interactive and visualized ad performance feedback system on which the direct advertiser customers can review and join our optimization work to maximize the marketing results of our online marketing solutions. Our advertising agency customers, on the other hand, will be able to review the bidding traffic acquisition price we bid from the online media platforms on their behalf after logging on their accounts on the digitalized service platform, produce and optimize their own online marketing solutions on behalf of their advertiser customers with the comprehensive online marketing solutions tools equipped on the U-Engine platform and finally deliver their online advertisement to the designated online media platforms through our API

connections to the online media platforms, leveraging the performance review and analysis capabilities of the U-Engine platform. We will not collect any service fee from our advertiser customers for their use of our digitalized platform since this platform is to further enhance our quality and efficiency of our online marketing solutions services.

Our Directors are of the view that the provision of digitalized platform services on the U-Engine platform to our advertiser customers is one of our important future strategies and will be beneficial to our business expansion in the long-run and further expand our businesses. This is primarily because (i) it will further enhance our services provided to the advertiser customers and our competitive strength, differentiating us from other market players; (ii) our advertising agency customers still have to place their online marketing solutions to various online media platforms through the U-Engine platform and this will strengthen our relationship with various online media platforms; and (iii) our advertising agencies generally lack of advanced software system to manage their services provided to its advertiser customers, the U-Engine platform, on the other hand, will improve their capabilities to provide qualified, attractive and effective online marketing solutions to their advertiser customers and our Directors believe that this will help to expand our business with our advertising agency customers.

Based on the above, our Directors are of the view that, which is concurred by iResearch, providing value-added services to our advertising agency customers through U-Engine platform will not post competition against us and divert our potential direct advertiser customers because (a) we only allow advertising agencies who are our customers to use the U-Engine platform. Any growth or expansion of our advertising agency customers' business will indeed improve our financial performance; (b) the advertising agency customers will only use the U-Engine platform as a tool to manage their business and their advertiser customers. They are restricted to access any information of our advertiser customers or our media partners and; (c) our capability to enhance our customer bases is empowered by our competitive strengths, including among others, our industry reputation, premium media partner base and strong content production capabilities. Instead, it may help us expand potential customers from the advertiser customer bases of our advertising agency customers.

Our Directors are of the view that there will not be any change in our role going forward given that we has been the value-adding intermediary between our advertiser customers and the online media platforms. Our Directors are also of the view that it is technologically feasible to establish the digitalized services platform based on current mature IT infrastructure technologies. In particular, we will first utilize the API connection services and cloud storages services to build the information infrastructure to support the smooth operation of the digitalized services platform. Our Directors also believe that, by establishing the digitalized services platform and providing value-added services to all participants thereon, we will be able to retain and attract more advertiser customers to place advertising orders with us, accumulate more marketing insights in the production of online short video marketing solutions and build our Company to a crucial market player in the online short video marketing ecosystem.

Currently, the U-Engine platform is a standalone internal platform unconnected to our other internal financial and administrative systems. We also plan to use SaaS technologies to upgrade and streamline our financial, operation and human resources

management system and connect them with the U-Engine platform, enabling our management to formulate insightful and effective business operation, corporate governance and strategic development decisions based on the real-time performance data generated on the intelligent platforms. We intend to use HK$[**REDACTED**] million, which will be funded by and represents approximately [**REDACTED**]% of the net proceeds from the [**REDACTED**], to upgrade our U-Engine platform with AI capabilities and SaaS technologies. See "Future Plans and Use of Proceeds" for details.

Explore innovative and intelligent e-commerce marketing solutions on leading online short video platforms

China's leading online short video platforms experienced rapid business expansion and significant increase in user coverage since 2016. As a result, the trust and user interactions on leading online short video platforms have been nurturing and giving rise to a natural and fast-growing opportunity for e-commerce between users, final consumers and e-commerce merchants, or our advertiser customers. As such, China's leading online short video platforms started to release e-commerce features and provide one-stop online shopping businesses on their platforms in 2018 and experienced significant growth during the Track Record Period.

The rapid growth of e-commerce platforms on these online short video platforms are gradually reshaping the market landscape of e-commerce business. These online short video platforms allow internet users or final consumers to directly purchase products or services within their APPs, their websites, or the links provided by marketing solutions providers like us in online short videos, live streams or user profile pages. Compared with the conventional forms of e-commerce business, popular streamers and online short video KOLs on these online short video platforms can more effectively introduce the look and feel of the products to the final consumers by providing them with a more immersive shopping experience. As a result, a large number of brands and merchants have set up online stores on these platforms to achieve better marketing results.

Leveraging (i) our robust content production capabilities, extensive online short video marketing experiences and strategic relationships with leading online short video platforms; and (ii) our solid experiences and strengths in providing online marketing solutions to e-commerce advertiser customers, we will continue to explore and deliver innovative and intelligent all-stage online marketing solutions for our e-commerce advertiser customers who intend to establish or further develop their businesses on such online short video platforms. We will assist our advertiser customers to engage popular celebrities or streamers, develop KOL strategies and utilize various display forms to precisely push advertisements to final consumers of our advertiser customers. We will also engage professional talents to assist our advertiser customers to design and operate their e-commerce stores on their behalf so as to help advertiser customers to promote their brand recognition and retain more final consumers. Since we started the e-commerce business on online short video platforms in February 2021, we have already entered into ten service contracts with a variety of advertiser customers to deliver online marketing solutions for their direct e-commerce businesses on online short video platforms. Pursuant to these contracts, we were entitled to a fixed amount of services fees and a commission fee based on the total sales of the e-commerce store, or a higher commission

fee based solely on the total sales of the advertiser customers, depending on the services we provide to the advertiser customers. We intend to use HK$[**REDACTED**] million, which will be funded by and represents approximately [**REDACTED**]% of the net proceeds from the [**REDACTED**], to explore innovative and intelligent e-commerce marketing solutions on leading online short video platforms. See "Future Plan and Use of Proceeds" for details. However, since we just started the direct e-commerce online marking solutions business in early 2021, the total revenue generated from such new business is expected to be insignificant for the year ended December 31, 2021. The Directors are thus of the view that such business will not have a material impact on our pricing policy and cost structure and our Group's current online marketing solutions business will remain as our principal source of income in the near future.

Develop and enhance online short videos content production capacity

We have a well-developed content production team capable of providing attractive and high-quality online short video marketing solutions. We will further increase our investment in online short video marketing content production capabilities, and continue to explore new online short video technologies and creativity directions. In particular, we will continue to invest in our AI capabilities through development of proprietary AI technologies or acquisitions of AI software or systems to further upgrade our automatic content production functions. For example, we will utilize a variety of algorithm-driven technologies such as image recognition, image generation, voice recognition and augmented reality to develop intelligent face and voice changing, virtual reality actors, intelligent editing and intelligent special effects, to enhance our technology-empowered creative content production capabilities.

In addition, we will also further expand our online short video content production team by attracting and recruiting professional talents, enhancing technology training to our operation and content production teams, as well as strengthening our researches on popular online short videos. We also plan to procure and utilize more advanced equipment, including advanced software, in particular online short video production, editing and effects tools, to improve the quality and efficiency of online short video content output. Leveraging our long-term devotion in content output optimization, in-depth understanding in market trends and continuing advanced researches on creative insights, we believe our robust and growing content production capability has positioned us well to maintain the strong market position and support our sustainable business development. We intend to use HK$[**REDACTED**] million, which will be funded by and represents approximately [**REDACTED**]% of the net proceeds from the [**REDACTED**], to develop and enhance online short videos content production capacity. See "Future Plans and Use of Proceeds" for details.

Reinforce and expand our relationships with media partners and advertiser customers

We plan to deepen and reinforce collaborations with existing premium partners. Amid the rapid development of e-commerce business on leading online short video platforms, we are planning to explore new forms of cooperation with such media partners, such as live-streaming sales by celebrities and KOLs, event marketing campaigns and other attention-catching marketing solutions to further improve the monetization rates for their ad inventories. We will also seek to diversify our media partner base and collaborate with different types of media partners. In particular, we will establish business relationship with some leading vertical online media platforms in China, including mobile-device-manufacturer-based media platforms, vertical community platforms and e-commence platforms.

Furthermore, we will continue to expand advertiser customer base to further scale up and grow our business. We plan to continue to deepen our penetration in our existing major industry verticals through developing and offering more tailored solutions with industry-specific features. For example, we engaged a number of Chinese online gaming advertiser customers that we will develop online advertisements based on the story lines of the games and featured with local elements, so that we can help our advertiser customers to attract more local final consumers. We are planning to build a team separately to primarily develop our business with new online media platforms. We will first engage with those vertical media platforms and other fast growing online media platforms, which are also the main focuses of our top advertiser customers, apply for their corresponding online marketing solutions licenses and develop customized advertising campaigns well-tailored to the needs of both the advertiser customers and the new media platforms by 2022. By establishing close and stable relationship with these new media platforms and our top advertiser customers, we are planning to further expand such business plans to more existing and new advertiser customers, and engage three to four new online media platforms each year to satisfy our advertiser customers' increasing marking needs. In the coming years, we will also assign additional resource to each new media platforms to develop more attractive and effective online marketing solutions. We will also keep a close eye on opportunities arising from changes in market trends such as the fast growth of electricity vehicles, community buying and healthcare management, explore opportunities in above fast-growing and emerging industries and provide emerging advertiser customers with high-quality, customized and effective online marketing solutions.

Additionally, we also plan to explore overseas marketing opportunities for our Chinese advertiser customers by deepening our cooperation with our media partners which have strong global network and international coverage. Currently, we already have a management team with sufficient working experiences in overseas online marketing solutions business. In particular, our chief operating officer, Mr. Xie Song, has rich experiences in production and placing of online advertisements in overseas online media platforms during his service at Google Information Technology (Shanghai) Co., Ltd. Leveraging such strengthens, we are planning to build an overseas business development department. We will first mainly focus on our existing advertiser customers in gaming, appliance, social networks and e-commerce business industries that already built their final consumer bases in overseas market. We will also strengthen our business

relationship with our existing Chinese online media platforms partners, to build our connections with their overseas branches. Finally, we will also consider applying for being the recognised online marketing solutions providers with leading global media platforms and provide our advertiser customers with more options to deliver their online marketing solutions overseas. We will mainly place online marketing solutions on major and popular overseas online media platforms and may recruit local teams to develop and expand our online marketing solutions businesses that employ advertising materials catering to local tastes and appealing to foreign viewers. We intend to use HK$[**REDACTED**] million, or approximately [**REDACTED**]% of the net proceeds from the [**REDACTED**] to reinforce and expand our relationships with media partners and advertiser customers. See "Future Plans and Use of Proceeds" for details.

Explore strategic alliance, investments and acquisitions to integrate industry resources

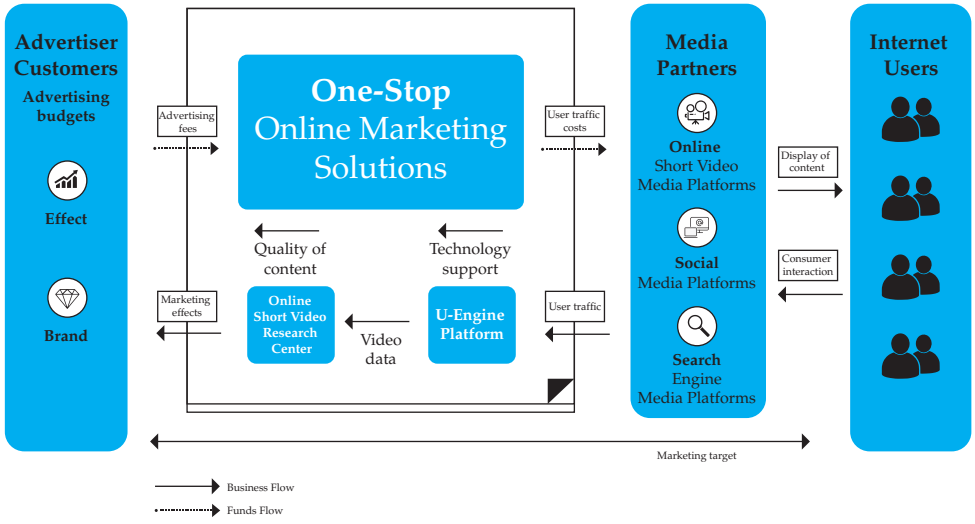
Taking advantage of the rapid growth of the online short video marketing market in China, we intend to expand our business and optimize results of operations through strategic alliance, investments, and acquisitions that are strategically beneficial to our long-term development. We aim to target companies that have comparative strengths of features in the following areas: (i) online short video marketing capabilities that will strengthen our localized marketing solutions services; and (ii) business operations that have synergy with ours. For businesses that may strengthen our localized solutions capabilities, we will mainly focus on those niche and boutique online marketing services providers with extensive local advertiser customers coverage in Beijing, Shanghai, Guangzhou and Chongqing. For business operations that have synergy with us, we plan to invest in companies that can improve and diversify our ad creative inventory, such as MCN, KOL or event marketing companies. We also plan to invest in companies that can improve our quality and operational efficiency and companies equipped with advanced AI capabilities and proprietary IP rights to strengthen our content production capabilities.

We believe that our relationship with various industry participants, in-depth understandings of multiple industry verticals and robust capabilities in content production capabilities will assist us in making well-informed acquisition decisions. As of the Latest Practicable Date, we had not engaged in any negotiation or entered in to any letter of intent or agreement for potential acquisitions, nor identified any definite acquisition target. We intend to use HK$[**REDACTED**] million, which will be funded by and represents approximately [**REDACTED**]% of the net proceeds from the [**REDACTED**], to explore strategic alliance, investments and acquisitions to integrate industry resources. See "Future Plans and Use of Proceeds" for details.

OUR BUSINESS MODEL

We provide one-stop cross-media online marketing solutions through our media partners for our advertiser customers to market their products and services. Our advertiser customers mainly include direct advertisers and, to a lesser extent, advertising agencies on behalf of their advertisers. In particular, we mainly provide online marketing solutions to key account advertisers with larger overall marketing budget, or with greater potential to spend large amount of spending on marketing solutions coupled with higher requirements on marketing services. We also establish recognized and long-term partnership with a broad base of premium media partners, including leading online short video platforms, social media platforms and search engine platforms in China, and offer them opportunities to monetize their ad inventories and user traffic more effectively and efficiently. Generally, as requested by our advertiser customers, we may place the online marketing solutions to their designated online media platforms. If the advertiser customers have no specific instructions, we may also place the advertisements on multiple popular online short video platforms with high average DAUs and MAUs taking account of various factors such as our advertising customers' marketing budgets, KPI requirements and user traffic purchasing costs of the online media platforms. We charge our advertiser customers primarily on a mixed basis of CPC and CPT, while our media partners charge us and we pay the traffic acquisition costs based on the same mechanisms which depends on how our advertiser customers' advertisement is placed and charged. Save for the CPC and CPT pricing model, we do not have other pricing model that have material revenue contribution. Most of our advertiser customers set KPI metrics such as cost per clicks, cost of installs, cost of register by new users as well as return of investments, which are mainly used for the advertiser customers' references to assess our performances but will not affect their payment to us and used by us to assess and optimize campaign performance.

The following chart sets forth the business model for our online marketing solutions business:



The followings are the key participants that benefit from our online marketing solutions business:

- ***Advertiser Customers.*** Our customers mainly include direct advertisers and advertising agencies on behalf of their own advertisers that need to acquire final consumers through online marketing solutions. These advertiser customers operate in a wide array of industry verticals, such as e-commerce, internet services, gaming, leisure & traveling, education, financial services and real estate & home furnishing. Based on their marketing budgets placed on us directly or through advertising agencies, our one-stop cross-media online marketing solutions can help such advertiser customers optimize their marketing strategies, enhance their brand recognitions and acquire, convert and retain more final consumers through creative and attractive online marketing campaigns.

- ***Media Partners.*** Our media partners are mainly premium online media platforms that need to monetize their user traffic through offering internet ad inventories on their platforms. These media partners primarily include leading online short video platforms, top social media platforms and major search engine platforms in China. Since we are able to help our advertiser customers precisely target and reach the final consumers through our quality and attention-catching online marketing solutions, we can therefore ensure the efficient use of ad inventories of our media partners with effective and efficient monetization results.

- ***Internet Users.*** We provide internet users or final consumers with high-quality and attention-catching online marketing contents, in particular online short video advertisement, through our media partners. Leveraging our in-depth researches on final consumer's preferences based on their age, gender, demographics, individual preferences and other behaviors on internet, we are able to produce and deliver large-scale and customized online marketing solutions to our media partners, which will then feed such attention-catching online marketing contents to internet users.

For the years ended December 31, 2018, 2019, 2020 and the four months ended April 30, 2020 and 2021, the total revenue generated from our online marketing solutions business was RMB1,156.3 million, RMB3,450.9 million, RMB6,360.7 million, RMB1,441.3 million and RMB2,214.2 million.

OUR ONLINE MARKETING SOLUTIONS BUSINESS

Key Features of Online Marketing Solutions Business

During the Track Record Period, we generally place our online short video advertisements on leading online short video platforms in China. Compared to conventional forms of marketing solutions, our online short video market solutions provide target consumers with an immersive marketing environment through the delivery of attention-catching, digestible and naturally-integrated information. These advertisements are naturally integrated in attractive narrative forms, such as short stories,

celebrity recommendation and daily life presentation well-tailored to the needs of the final consumers. The advertisement campaigns are also integrated seamlessly in the content of our online short videos, and are able to convey rich and in-depth marketing information to the final consumers in the short display period. In addition, when final consumers click on the links embedded in the online short video advertisements, they would be redirected to the page designated by our advertiser customers.

The following screenshots illustrate the online short video advertisements produced and placed by us on such platforms:

We also provide other forms of online marketing solutions to our advertiser customers to satisfy their needs for one-stop and diverse online advertisements. These forms of solutions primarily include text and image creatives in various formats which are delivered to final consumers through social media platforms or major search engine media platforms. The text and image creatives generally compose of (a) creative, attractive and in-depth textual and image descriptions of our advertiser customers' product and services details; or (b) text link which turns individual words or phrases in the text into links. Once these final consumers click on such marketing creatives, they will be directly redirected to another web page designated by our advertiser customers.

The following screenshots illustrate the social media and search engine marketing solutions produced and placed by us on such platforms:

The following table sets forth a breakdown of our Group's revenue based on the different forms of marketing solutions produced by our Group for the periods indicated:

	Year ended December 31,		Four months ended April 30,			
	2020[Note 1]		2020		2021	
	(RMB'000)	% of the total	(RMB'000)	% of the total	(RMB'000)	% of the total
			(Unaudited)			
Online Short Video	4,094,775	64.4	888,748	61.7	1,325,089	59.8
Text & Images	2,265,949	35.6	552,545	38.3	889,075	40.2
Total	6,360,724	100.0	1,441,293	100.0	2,214,164	100.0

Note:

1. Established in 2018, we initially focused on expanding media resources and advertiser customer base. Having obtained access to several online media platforms and cultivated our content creation ability, we started to pay more attention to the accumulation and analysis of delivery data, which serve as references for our content creation and reflect the effectiveness of our marketing solutions. Accordingly, we started the development of a system for interfacing with multimedia data in the second half of 2019 and launched U-Engine in 2020. U-Engine enabled us to systematically classify data and generate statistics based on types of marketing solutions, among others from the beginning of 2020.

Our Proprietary Online Marketing Solutions Services Platform – U-Engine Platform

We integrated years of online marketing experiences and engaged some software developers to develop and launch our self-service U-Engine platform in April 2020. U-Engine platform is an intelligent online short video marketing solution placement, optimization and management platform which allows us to manage the service needs from our advertiser customers, produce and store online short video advertisement elements and place them on different online media platforms in a more effective and efficient manner. It can also help us accumulate valuable operational data and information assets for our further content production. Specifically, U-Engine platform is equipped with a wealth of analysis tools and functional modules, covering the full range of the production, storage, intelligent placement, analysis & optimization and management campaigns of our creative online marketing solutions. At present, we primarily use the U-Engine platform internally. The U-Engine platform has following features:

- ***Production***: The U-Engine platform is an efficient and effective content production platform matching our need to produce large-scale, high-quality and customized online marketing solutions. It offers a streamlined resources allocation system, where our content production teams can efficiently utilize various shooting facilities, diverse shooting scenarios and multiple shooting teams to maximize the output of online marketing solutions and outperform our competitors in both the quality and quantity. It also provides a wide range of customized reporting tools that provide performance insights across diverse indicators such as audience profiles, video formats, site categories, websites, devices, creative types, and demographics.

- ***Storage.*** The U-Engine platform encompasses a comprehensive marketing resource library, allowing our content production teams to explore cross-platform videos and graphic galleries, audience libraries and video creative database to formulate their marketing strategies. As of the Latest Practicable Date, the U-Engine platform had accumulated more than 6.40 million innovation data, including about 4.01 million online short video creatives and approximately 2.39 million graphic creatives. Meanwhile, we also collect and store massive data on the U-Engine platform in each marketing campaign and accumulated in-depth understandings on the market trends, audience profiles, consumer preferences and evolving demands on marketing solutions.

- ***Placement.*** When we acquire user traffic from online media platforms or media agents, we generally set up accounts for our advertiser customers on multiple advertising platforms and operate such accounts on their behalf. The U-Engine platform connects with these advertising platforms through API connections and allows us to transmit online short videos, ad creatives and campaign parameters to our advertiser customers' various advertising accounts on different online media platforms with a single click. Upon our further input of marketing parameters such as consumer tags, timing and bidding price on the advertising platforms, these online short video advertisements are then delivered to final consumers based on such parameters.

- ***Analysis & Optimization.*** The U-Engine platform is also able to review and analyze the performance of our online marketing solutions for further optimization. It utilizes a variety of KPI metrics such as impressions, click-throughs and click-through rates to monitor the performance of our online marketing solutions and generate comprehensive performance reports for each advertisement campaign. Our operation and content production teams will then review such performance reports to identify those key factors that may drive the popularity of the solutions and the factors that need to be further improved. On the basis of such review reports, we will then make necessary adjustments to these marketing campaigns and optimize the marketing effects on a continuing basis.

- ***Operation Management.*** The U-Engine platform also enables us to effectively monitor and manage the performance of our content production teams. Empowered by the big-data analysis modules, it allows our content production managers, on a real-time basis, to review the performance of their crew members based on various KPIs set by our advertiser customers in each campaign. Based on such comprehensive operation management functions, the U-Engine platform can help our management to formulate sound business operation, corporate governance and strategic development decisions.

Before the launching of the U-Engine platform, on the other hand, we generally first opened accounts for advertiser customers on various online media platforms and then operated such accounts on behalf of the advertiser customers manually by our staff. After acquiring the user traffic from the online media platforms or media agents, we would then set campaign parameters, place the orders to purchase ad inventories, transmit the online marketing solutions to various online media platforms as well as review and analyse ad performance data for our advertiser customers. Compared to the automatic, programmatic and intelligent placement solutions provided under the U-Engine platform, it would take more time and manpower for us to place the online marketing solutions on various online media platforms under the traditional online advertisement placement functions, since all such work had to be conducted on a manual basis. Additionally, before the launching of the U-Engine platform, our content production team had to spend more effort on marketing campaign design and management and were not able to review and monitor the advertisement performance data on a real-time basis. Instead, they had to communicate with the online media platforms to obtain the relevant performance data and make necessary adjustments based on their experiences.

As advised by our PRC Legal Advisors, we are not required to obtain the ICP License for the operation of the U-Engine platform as it will only become accessible by our advertiser customers, with the prescribed functions set out under "— Our Strategies — Continue to upgrade our U-Engine platform with AI capabilities and SaaS Technologies." The U-Engine platform is based on SaaS technology and it is a SaaS software system in nature, and it will provide user management SaaS services to our advertiser customers in the future. According to our PRC Legal Advisors, such businesses with the prescribed functions do not directly involve provision of any type of value-added telecommunications services under the Classification Catalog of Telecommunication Services (2015 Edition) (《電信業務分類目錄》(2015年版)).

In addition, on July 2, 2021, the Company's and Sponsor's PRC legal advisors made a public inquiry to Beijing Communications Administration (北京市通信管理局), the competent regulatory authority for regulating value-added communications business in Beijing, which confirmed, since our U-Engine platform with prescribed functions is only accessible by our advertiser customers, we are not required to obtain ICP license. Our PRC Legal Advisors are of the view that such government authority is competent to provide the above confirmation. As such, our Directors are of the view that our U-Engine platform is not subject to any ICP licensing requirement.

To the understanding of our Directors, which is also concurred by iResearch, our key competitors in the online marketing solutions industry also own similar platforms. Therefore, we plan to further improve current functions within the U-Engine platform in the near future with advanced AI algorithm-driven and SaaS technologies. For more details on the upgrading of the U-Engine platform, see "— Our Strategies — Continue to upgrade our U-Engine platform with AI capabilities and SaaS Technologies" in this section.

Our Creativity and Content Production Capability

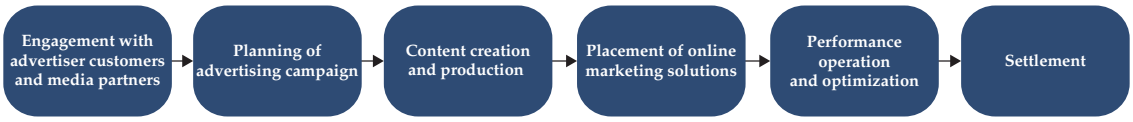
We have an in-house content production team with strong capabilities in producing large-scale, high-quality and customized online marketing solutions. This enables us to achieve accurate profiling of potential final consumers, improve the marketing efficiency for our advertiser customers and enhance the ad inventory monetization rates for our media partners. We believe our robust and creative content production capability is one of our core competencies that makes us differentiate from and outperform our competitors in the market and crucial to our future business development. For more details, see "— Our Creativity and Content Production Capability" in this section.

Premium Media Sources

We offer our advertiser customers high-quality, high-user-traffic online media platforms where they can be exposed to final consumers and optimize their marketing goals. Our media partners mainly include China's most popular online media platforms. For more details, see "— Top Customers and Suppliers — Top Suppliers" in this section.

Business Process of Our Online Marketing Solutions

The following diagram illustrates the general flow of our online marketing solutions under all-in-one services. The whole business process generally takes one month:



- ***Engagement with advertiser customers and media partners:*** We generally enter into annual framework agreements with our advertiser customers. We also adopt a risk management system to review each of our potential advertiser customer on their business model, financial position, credit records, market channels, growth potentials and legal compliance risks and only enter into agreements with those advertiser customers that can pass our assessment. In the meantime, we also assist our advertiser customers with the submission of documentation to the designated online media platforms for the approval to setup accounts on their advertising platforms. In the case where we need to acquire user traffic indirectly through a media agent, we liaise with the relevant agent for the account registration.

- ***Planning of advertising campaign:*** After signing each annual framework agreement, we will then communicate with our advertiser customers and conduct campaign planning based on their disparate criteria and marketing goals, help them formulate campaign parameters, such as final consumer demographics, devices, geographic regions, user preferences, and the timing and duration of the marketing campaigns, as well as propose on marketing strategies. Such marketing strategies may be amended for several rounds, and are usually executed only after the advertiser customers are satisfied with the strategies.

- ***Content creation and production:*** Pursuant to the advertising campaign plans and other specific requirements from our advertiser customers, we will then develop creative insights and translate to the script for production and filming. In specific, for our online short video advertisements, we will engage actors to film at our professional content production bases, and our in-house editors and post-production staff will further tailor and customize the online short videos with special effects based on the requirements of our advertiser customers. The production of online marketing solutions will only be completed when our legal and compliance department review and confirm that the content is in compliance with all applicable laws and regulations, ethical standards as well as the relevant online media platform's internal policies.

- ***Placement of online marketing solutions:*** We proceed with user traffic acquisition and bid for ad inventories on the targeted online media platforms selected by our advertiser customers. We generally utilize U-Engine platform to place online marketing solutions on various online media platforms for our advertiser customers. Generally, as requested by our advertiser customers, we may place the online short video advertisements to their designated online media platforms. If the advertiser customers have no specific instructions, we may also place the advertisements on multiple popular online short video platforms with high average DAUs and MAUs taking account of various factors such as our advertising customers' marketing budgets, KPI requirements and user traffic purchasing costs of the online media platforms. Once the internet users are browsing through the relevant online media platforms, our online short video solutions may be automatically pushed by the online media platforms and pop up on the first page as he browses. For more details on the intelligent placement of the online marketing solutions, see " — Our Proprietary Online Marketing Solutions Services Platform – U-Engine Platform" in this section.

- ***Performance operation and optimization:*** Once the online advertisements, particular online short videos marketing solutions are displayed online, we will monitor their performance and review their marketing results on U-Engine platform on a real-time and continuing basis. For more details on the optimization and management of our online marketing solutions, see "— Our Proprietary Online Marketing Solutions Services Platform – U-Engine Platform" in this section.

- ***Settlement:*** Our media partners typically issue invoice of traffic acquisition costs to us on a monthly basis based on ad performance data. Payment of invoice is generally required to be made on a case-by-case basis. We will then issue invoice to our advertiser customers and the payment period of the invoice is generally 30 to 120 days.

To a lesser extent, we provide advertisement distribution services to certain advertising agencies where we act as an agent, instead of a principal, and purchase ad inventories through their respective advertiser customers' accounts on the online media platforms' advertising platforms. Under the advertisement distribution business, we do not provide other value-added services such as making plans for advertising campaigns, content creation and production, placement of online marketing solutions or performance operation and optimization.

The following diagram illustrates the general flow of our online marketing solutions under advertisement distribution services. The whole business process generally takes one month as well:

- **Engagement with advertising agency customers:** We also enter into annual framework agreements with our advertising agency customers to provide advertisement distribution services. Similar to those under all-in-one services, we also review each of our potential advertising agency and only enter into agreements with those customers that can pass our assessment.

- **Negotiate with online media platforms, account opening and ordering:** Once we secure an order with our advertising agency customers, we will then negotiate with the online media platforms, which are generally designated by the advertising customers, on the user traffic acquisition quote or price to distribute the advertisement on their distribution platforms. After the purchase price is agreed, we will also assist our advertising agency customers to set up accounts on the advertising platforms and finish the corresponding toll-up and ordering procedures on their behalf;

- **Settlement:** Similar to that under all-in-one services, our media partners typically issue invoice of traffic acquisition costs to us on a monthly basis based on ad performance data. Payment of invoice is generally required to be made on a case-by-case basis. We will then issue invoice to our advertising agency customers and the payment period of the invoice is generally 30 to 120 days.

As all-in-one services include more value-added services, it generally records a higher gross profit margin than our advertisement distribution services under the gross billing measurement. See " — Pricing Models" in this section for details.

Pricing Models

We charge our direct advertiser customers or advertising agencies who represent their respective advertisers for our online marketing solutions primarily based on a mix of CPC (recognize revenue when specified action, such as click-throughs, is performed) or CPT (recognized revenue over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation) and we involve in the determining of the pricing with our advertiser customers. The CPC, namely, Cost-Per-Click mechanism is a performance-based metric and under which we charge our customers when and if an internet users clicks the online marketing solutions we placed. The CPT, namely, Cost-Per-Time mechanism, under which we charge our customers for placing a piece of online short video for a specific period of time contractually agreed by our advertiser customers and us. Under the CPT pricing model, we may appoint independent third party agencies to monitor whether the frequency and duration for display of advertisements were properly delivered as we charge our advertiser customers for placing advertisement for a specific period of time contractually agreed by our advertiser customers and us. The revenue under CPC is recognised when specified action, such as click-throughs, is performed, while the revenue under CPT is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. During the Track Record Period, we used CPC and CPT methods for both of our all-in-one services and advertisement distribution services, while most of our direct advertiser customers are charged based on CPC mechanism.

We recognize revenue from online marketing solutions business on a gross or net basis based on our role under each particular contract with advertiser customers. For contracts where we act as a principal, we recognize revenue on a gross basis, while for contracts where we act as an agent, we recognize revenue on a net basis. If we, among others, are the primary obligor in a transaction, or have control in determining prices or selecting online media platforms, we are deemed as a principal and record revenue on a gross basis. Otherwise, we are deemed as an agent and record the net amount earned as commissions from the service we provide. Following factors, among others, will also be taken account of in determining whether we act as a principal or agent: (a) whether we are primarily responsible for fulfilling the promise to provide the specified service; and (b) whether we have discretion in establishing the prices for the specified goods or service. For further details, see "— Gross method and Net method under our Online Marketing Solutions" in this section. Specifically, for all-in-one online marketing solution service, we recognize revenue on a gross basis; while for advertisement distribution services, we provide user traffic acquisition service only and recognize revenue on a net basis. For more details on our revenue recognition policies, see "Financial Information — Critical Accounting Policies and Estimates — Revenue Recognition."

Additionally, under the CPC model, the gross billing is recognized once the internet users click on the online marketing solutions. Online marketing solutions providers will set the maximum prices on behalf of the advertiser customers to bid for their online advertisements to be displayed on the online media platforms. Generally, only the advertisement with the highest bidding prices can be displayed and such bidding prices will be recognized as gross billing once the internet users click on the advertisements. Under the CPT model, on the other hand, the advertiser customers generally pay the price for the online marketing solutions to be displayed for a certain period of time. The price has been negotiated and confirmed before the relevant marketing solutions are displayed online. This price will be recognized as gross billing at the expiry of the agreed display period. The impression, clicks and/or the conversation rate are not relevant for revenue to be recognised under the CPT model.

Generally, we charge advertiser customers based on the same pricing model as media partners charge us. We pay our media partners for traffic acquisition primarily based on a mix of CPC and CPT. During the Track Record Period, we did not enjoy any bulk purchase discount in its acquisition of traffic from online media platforms. Media partners may grant to us rebates mainly based on the gross spending of the advertiser customers (i) in the form of prepayments for future traffic acquisition; (ii) to net off the accounts payables we owed to them; or (iii) in cash. We record such rebates as reduction of cost of services under gross basis, or as revenue under net basis. During the Track Record Period, the aggregate amount of rebates granted to us by media partners increased significantly from RMB291.4 million in 2018 to RMB637.9 million in 2019, and further to RMB935.9 million in 2020 which is in line with the rapid expansion of our business and the rebate granted to us by media partners amounted to RMB354.9 million in the four months ended April 30, 2021. The following table sets forth a breakdown of rebates granted to us by method of settlement:

	2018	2019	2020	Four months ended April 30, 2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Settled by deduction of accounts payables and as prepayment[1]	219,204	519,061	865,296	172,622
Settled by cash	72,216	118,812	70,566	19,637
Unsettled as of the Latest Practicable Date	–	–	–	162,680
Total	291,420	637,873	935,862	354,939

Note 1: During the Track Record Period, the rebates granted to us has been primarily settled by deduction of accounts payables, while if at the point of settlement, the accounts payables balance was smaller than the rebate granted, it was settled as prepayment for future traffic acquisition.

To the understanding of the Directors, such rebates are mainly determined on the basis of our business performances, which is measured by the relevant KPIs set by the online media platforms. During the Track Record Period, the amount of rebates to be earned by us is generally determined by the online media platforms with reference to relevant KPIs set by them and was not subject to annual negotiation between the relevant online media platforms and us. As advised by our PRC Legal Advisors, such rebates offered by our media partners are legal and do not violate any applicable PRC laws and regulations in all material aspects. Meanwhile, rebates are in consistent with the market practice according to iResearch. According to the same source, rebates can be settled in the form of cash, deduction of accounts payables and prepayments for future traffic acquisition.

For further details on our revenue recognition policy and the rebates that we grant to advertiser customers and online media platforms grant to us, see "Financial Information — Critical Accounting Policies and Estimates — Revenue Recognition."

Gross method and Net method under our Online Marketing Solutions

We generally utilize a combination of gross method where we act as a principal and net method where we act as an agent in recognizing revenue. The following table sets forth certain key features of our business under gross method and net method:

	Gross method where the Company acts as a principal	**Net method where the Company acts as an agent**
Services	Including planning of advertising campaign, content creation and production, intelligent placement and performance operation and optimization.	Advertisement distribution service (i.e. traffic acquisition service).
Key roles and responsibilities	Upon receiving advertising campaign orders from advertiser customers, we generally produce ad creatives, set campaign parameters, bid for ad inventories, acquire user traffic from media partners and deliver finalized advertisements to target internet users. Subsequently, we monitor, collect and analyse ad performance data optimize campaign performance leveraging with U-Engine platform.	Upon receiving advertising campaign orders from advertiser customers, such as advertising agencies, we acquire user traffic from media partners.

	Gross method where the Company acts as a principal	Net method where the Company acts as an agent
	Meanwhile, since all the user traffic acquired by us will be consumed in accordance with the terms we agreed with our advertiser customers in advance, there will not be any unused ad inventories in its business process of online marketing solutions, or any concern in relation transferability of unused ad inventories.	
Rebates earned	When we provide one-stop all-in-one service, we earn rebates from media partners from time to time calculated primarily based on the gross spending of our total traffic acquisition costs. Such rebates are recorded as reduction of cost of sales under gross method.	When we provide traffic acquisition service only, we generate revenue from earning rebates from media partners calculated primarily based on the gross spending of our total traffic acquisition costs. Such rebates are recorded as revenue under net method.
Payment schedule and obligations	We either require certain advertiser customers to prepay for our one stop all-in-one service or grant them credit periods of 30 to 120 days. Advertiser customers are generally obligated to settle with us within the credit periods by wire transfer.	We either require certain advertiser customers to prepay for our advertisement distribution service or grant them credit periods of 30 to 60 days. Advertiser customers are generally obligated to settle with us within the credit periods by wire transfer.
Pricing mechanisms	We charge the advertiser customers primarily based on a mix of CPC and CPT. See "— Pricing Models" for details.	We charge our advertiser customers mainly based on a mix of CPC and CPT. See "— Pricing Models" for details.

Key Operating Data

The following table sets forth some KPIs of our online marketing solutions for the periods indicate below.

	Year ended December 31,			Four months ended April 30,
	2018	2019	2020	2021
Impressions (millions) [(1)(3)]	250,080	378,168	536,989	168,913
Click-throughs (millions) [(2)(3)]	3,100	9,102	14,631	4,460
Click-throughs Rate (%)[(4)]	1.24%	2.41%	2.72%	2.64%

(1) Impressions refer to the total number of pages review of our online advertisements for the periods indicated.

(2) Click-throughs refer to the total number of clicks on the online advertisements placed by us for the periods indicated.

(3) We charge our advertiser customers for our online marketing solutions primarily based on CPC and CPT. Our revenue derived from online marketing solutions business is positively correlated to the total number of impressions and click-throughs.

(4) Click-through rate is calculated as the total number of click throughs divided by the total number of impressions.

Our impressions increased rapidly during the Track Record Period, reflecting the rapid growth of our online marketing solutions business, especially online short video marketing solutions business. Our click-throughs and click-through rates also increased significantly during the Track Record Period, demonstrating our continual efforts and success in expanding our online marketing solutions business.

Our Advertiser Customers

Our advertiser customers mainly include direct advertisers and, to a lesser extent, advertising agencies on behalf of their advertisers. Generally, we establish business relationship with our advertiser customers directly. We are also engaged by advertising agencies which are mainly online marking solutions providers with a total annual gross billing of RMB200 million to RMB1.5 billion, to a lesser extent, primarily because we are among the online marketing solutions services providers recognized by some online media platforms which the advertising agencies may not have the access to. Due to their limited access to online media platforms and the fact that we normally have different customer bases, these advertising agency customers are not able to compete directly with us. The table below sets forth the number of advertiser customers of our online marketing solutions business by type for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
Direct advertisers	362	578	792	412	467
Advertising agencies	122	179	236	153	184
Total	484	757	1,028	565	651

The table below sets forth a breakdown of our gross billing from our online marketing solutions business by type of our advertiser customers for the years indicated:

	Year ended December 31,						Four months ended April 30,			
	2018		2019		2020		2020		2021	
	RMB'000	% of the total	RMB'000	% of the total	RMB'000	% of the total	RMB'000 (Unaudited)	% of the total	RMB'000	% of the total
Direct advertisers	1,228,936	62.3	3,512,815	68.2	6,396,378	73.0	1,450,104	70.9	2,172,543	69.6
Advertising agencies	743,441	37.7	1,639,384	31.8	2,371,163	27.0	596,379	29.1	950,991	30.4
Total	1,972,377	100.0	5,152,199	100.0	8,767,541	100.0	2,046,483	100.0	3,123,534	100.0

The following table sets forth a breakdown of our gross billing by major online media platforms during the Track Record Period:

	For the year ended December 31,						For the four months ended April 30,	
	2018		2019		2020		2021	
	Gross Billing	% of total gross billing	Gross Billing	% of total gross billing	Gross Billing	% of total gross billing	Gross Billing	% of total gross billing
	(RMB in thousands except for percentages)							
Supplier A's content distribution platforms[(Notes 1, 3)]	850,369	43.1	3,455,238	67.1	5,969,861	68.1	2,065,052	66.1
Online short video platforms[(Note 2)]	3,361	0.2	157,380	3.1	1,000,722	11.4	311,518	10.0
Search engine platforms	993,056	50.3	1,277,119	24.8	1,244,341	14.2	544,477	17.4
Social media platforms	–	–	–	–	105,897	1.2	66,353	2.1
Others[(Note 4)]	125,591	6.4	262,462	5.0	446,719	5.1	136,134	4.4
Total	1,972,377	100.0	5,152,199	100.0	8,767,541	100.0	3,123,534	100.0

Notes:

1. Supplier A is a leading Chinese internet technology company and operates several popular online content distribution platforms including, among others, online short video platforms, news content and information platforms, and advertising alliance platforms. News content and information platforms refer to online news feed websites and platforms that generally provide customized information feeds services based on internet users' preferences. Advertising alliance platforms in general refer to associated advertising platforms comprising of a group of small-and-medium-scaled websites or online media platforms, which offer online marketing solutions providers better opportunities to place online advertisement for their advertiser customers through various online media platforms. According to iResearch, Supplier A's dominant market

share drives online services providers to deliver convenient, efficient online marketing contents delivery services on Supplier A's different online content distribution platforms, in order to improve the marketing returns for their advertiser customers. Our advertiser customers that have online marketing campaigns on Supplier A's content distribution platforms will generally have an overall marketing budget, with which we will help to plan and place advertisements and purchase user traffic on Supplier A's various content distribution platforms based on their needs.

2. Excluding the gross billing generated from Supplier A's online short video platforms.

3. During the Track Record Period, the percentage of our total revenue attributable to Supplier A's content distribution platforms was higher than the percentage of our total gross billing attributable to such platforms. This was primarily due to the facts that (i) through Supplier A's content distribution platforms we primarily provided all-in-one services to our direct advertisers when delivering online marketing solutions and recorded the revenue of all-in-one services on a gross basis; and (ii) through search engine platforms usually we served more advertising agencies with advertisement distribution service provided as compared to Supplier A's content distribution platforms during the Track Record Period, and we recorded the revenue of advertisement distribution service on a net basis.

4. Others mainly include mobile-device-manufacturer-based media platforms.

The table below sets forth a breakdown of revenue generated from our online marketing solutions business by type of our advertiser customers for the years indicated:

	Year ended December 31,						Four months ended April 30,			
	2018		2019		2020		2020		2021	
	RMB'000	% of the total	RMB'000	% of the total	RMB'000	% of the total	RMB'000	% of the total	RMB'000	% of the total
							(Unaudited)			
Direct advertisers	1,115,466	96.5	3,375,541	97.8	6,294,906	99.0	1,420,580	98.6	2,161,903	97.6
Advertising agencies	40,812	3.5	75,315	2.2	65,818	1.0	20,713	1.4	52,261	2.4
Total	1,156,278	100.0	3,450,856	100.0	6,360,724	100.0	1,441,293	100.0	2,214,164	100.0

We had accumulated a diversified base of direct advertiser customers from a wide array of industry verticals, such as e-commerce, internet services, gaming, leisure & traveling, education, financial services and real estate & home furnishing. During the Track Record Period, e-commerce companies are our largest group of direct advertiser customers. Our revenue generated from e-commerce direct advertisers accounted for approximately 41.3%, 47.7%, 53.4%, 45.7% and 47.0% of our total revenue for the years ended December 31, 2018, 2019, 2020 and the four months ended April 30, 2020 and 2021, respectively, which reflected our strategy to expand our e-commerce advertiser customer

base and scale up our business during the Track Record Period. The table below sets forth a breakdown of revenue generated from our online marketing solutions business by type of the industry verticals of our direct advertiser customers for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2018		2019		2020		2020		2021	
	Revenue	% of revenue	Revenue	% of revenue	Revenue	% of revenue	Revenue	% of revenue	Revenue	% of revenue
	(RMB in thousands except for percentages)									
							(Unaudited)			
E-commerce	460,593	41.3	1,610,688	47.7	3,362,948	53.4	649,589	45.7	1,015,626	47.0
Internet Services	181,241	16.2	739,141	21.9	918,933	14.6	279,068	19.6	370,544	17.1
Gaming	98,326	8.8	325,755	9.7	961,931	15.3	316,573	22.3	297,454	13.8
Leisure & Travelling	205,337	18.4	301,790	8.9	255,995	4.1	62,580	4.4	71,718	3.3
Education	78,266	7.0	210,404	6.2	646,436	10.3	86,178	6.1	295,786	13.7
Financial Services	40,499	3.6	117,791	3.5	82,820	1.3	13,600	1.0	83,700	3.9
Real Estate & Home Furnishing	15,663	1.4	50,769	1.5	39,365	0.6	8,843	0.6	18,920	0.9
Others	35,541	3.3	19,204	0.6	26,479	0.4	4,149	0.3	8,155	0.3
Total	**1,115,466**	**100.0**	**3,375,541**	**100.0**	**6,294,906**	**100.0**	**1,420,580**	**100.0**	**2,161,903**	**100.0**

(1) Others mainly include automobile sales and fast-moving consumer goods industries.

Key Terms of Agreements with Our Advertiser Customers

We generally enter into annual framework agreements with our advertiser customers specifying, among others, the media partners, advertising space, pricing model as well as payment and settlement terms for such services. Salient terms of the agreement with our advertiser customers include:

(i) ***Duration.*** one year.

(ii) ***Service scope.*** the scope of online marketing solution services provided by us mainly include marketing campaign planning, creative content designing, advertising plan building and optimizing, advertisement placement and marketing campaigns monitoring and performance improvement.

(iii) ***Allocation of liability for marketing content.*** Generally, our advertiser customers are liable for any penalties imposed by regulatory authorities or the relevant online media platforms and any third-party claims in connection with illegal or inappropriate marketing content and shall indemnify us against any claims and losses which may arise from illegal or inappropriate marketing content, unless (i) we are at fault; (ii) in case of marketing content produced entirely on our own without any specifications provided by our advertiser customers; or (iii) in case of marketing content produced entirely

on our own without any specifications provided by us in accordance with specifications provided by our advertiser customers, which could reasonably be expected to result in violation of applicable laws and regulations or infringement of third-party rights.

(iv) ***Ownership of intellectual property rights.*** Ownership of intellectual property rights of the marketing content produced by us shall belong to our advertiser customers.

(v) ***Data verification.*** We are not contractually required to verify the ad performance data reported by our media partners. Our advertiser customers may engage data tracking platforms to verify the ad performance data, the cost of which shall be borne by themselves, and any discrepancy discovered pursuant to any such data verification shall be settled between our advertiser customers and our media partners directly.

(vi) ***Termination.*** The annual framework agreements may be terminated (i) during the term upon mutual consent of both parties; (ii) in the event of winding-up, liquidation, bankruptcy and insolvency of either party; (iii) in the event of a *force majeure*; and (iv) by the non-defaulting party in the event of a material breach that is not remedied within a prescribed time-period.

We are subject to, and our online marketing solutions are governed by, the "Advertising Law of the PRC" (《中華人民共和國廣告法》) for providing "advertisement design, production and agency services" to advertiser customers. As advised by our PRC Legal Advisors, pursuant to the "Advertising Law of the PRC", we will be held liable for any inappropriate, illegal or offensive advertising content produced in-house or produced by our advertiser customers but placed by us under the following circumstances: (i) if we have the knowledge or should have had the knowledge that the advertising content is false, fraudulent or misleading; (ii) in terms of false, fraudulent or misleading advertising content that we have no knowledge of, if we fail to provide valid name, address and contact information of the advertiser; (iii) in terms of false, fraudulent or misleading advertising content which has caused damages to a consumer's life and health; and (iv) when the advertising content has infringed the legitimate civil rights and interests of others.

We conduct basic background check on our advertiser customers prior to engagement with them and examine the advertising content produced in-house or by our advertiser customers through both algorithm-based screening and manual review in accordance with the "Advertising Law of the PRC", the "Interim Measures on Internet Advertisement" (《互聯網廣告管理暫行辦法》) as well as other applicable PRC laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we had not been imposed any material administrative fines or penalties, or involved in any material dispute or proceedings arising from or in connection with any inappropriate, illegal or offensive advertising content placed by us.

Currently, as an online marketing solutions provider, we do not implement any anti-click fraud mechanism but relied on the credibility of our media partners in ensuring the accuracy of the ad performance data provided by them, given that substantially all of our user traffic was acquired from leading online media platforms with market leadership and excellent track record. According to iResearch, it is an industry norm that online marketing solutions providers generally do not adopt anti-click fraud mechanism but are entitled to engage independent third party data tracking platforms to independently verify ad performance data when online marketing solutions providers notice any unusual traffic. During the Track Record Period and up to the Latest Practicable Date, there were no material disputes regarding data verification among our advertiser customers, media partners and us, and therefore we did not engage any independent third party data tracking platforms to verify the ad performance data reported by media partners.

Our Media Partners

We acquire user traffic from our media partners to place our marketing solutions online. Our media partners primarily include both online media platforms and media agents which engage with us on behalf of online media platforms. For online media platforms, we generally collaborate with them to monetize their ad inventories and user traffic by delivering online short video solutions to their distribution platforms. For the media agents, on the other hand, we generally purchase from them the user traffic of online media platforms where we are not the marketing solutions services providers recognized by those online media platforms and therefore cannot place the advertisements on their platforms directly. We strategically focus on covering leading online short video platforms, top social media platforms and major search engine platforms in China.

The table below sets forth the number of media partners for our online marketing solutions business by their types for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
Online media platforms	7	8	8	6	9
Media agents	43	38	24	18	12
Total	50	46	32	24	21

The following table sets forth a breakdown of our traffic acquisition costs by major online media platforms during the Track Record Period:

	For the year ended December 31,						Four months ended April 30,	
	2018		2019		2020		2021	
	Cost	% of total traffic acquisition costs	Cost	% of total traffic acquisition costs	Cost	% of total traffic acquisition costs	Cost	% of total traffic acquisition costs
	(RMB in thousands except for percentages)							
Supplier A's content distribution platforms[(Note 1, 2)]	559,707	54.9	2,351,710	74.1	4,284,864	72.2	1,449,817	71.2
Online short video platforms[(Note 3)]	2,908	0.3	81,850	2.6	858,118	14.5	268,832	13.2
Search engine platforms	401,526	39.3	603,492	19.0	534,461	9.0	209,227	10.3
Social media platforms	–	–	–	–	79,337	1.3	32,574	1.6
Others[(Note 4)]	55,788	5.5	134,601	4.3	178,175	3.0	74,883	3.7
Total	1,019,929	100.0	3,171,653	100.0	5,934,955	100.0	2,035,333	100.0

Notes:

1. For the years ended December 31, 2018, 2019, 2020 and the four months ended April 30, 2021, our total traffic acquisition costs spent on Supplier A's online short video platforms amounted to RMB144.9 million, RMB1,416.7 million RMB2,764.1 million and RMB886.0 million, accounting for 14.2%, 44.7%, 46.6% and 43.5% of our total traffic acquisition costs for the periods, respectively. Meanwhile, for the years of ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2021, our total traffic acquisition costs spent on Supplier A's advertising alliance platforms amounted to RMB30.8 million, RMB610.3 million, RMB838.3 million and RMB241.0 million, accounting for 3.0%, 19.2%, 14.1% and 11.8% of our total traffic acquisition costs for the periods, respectively. Additionally, for the years of ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2021, our total traffic acquisition costs spent on Supplier A's news content and information platform amounted to RMB384.0 million, RMB324.7 million, RMB682.5 million and RMB322.8 million, accounting for 37.6%, 10.2%, 11.5% and 15.9% of our total traffic acquisition costs for the periods, respectively.

2. Supplier A is a leading Chinese internet technology company and operates several popular online content distribution platforms including, among others, online short video platforms, news content and information platforms, and advertising alliance platforms. News content and information platforms refer to online news feed websites and platforms that generally provide customized information feeds services based on internet users' preferences. Advertising alliance platforms in general refer to associated advertising platforms comprising of a group of small-and-medium-scaled websites or online media platforms, which offer online marketing solutions providers better opportunities to place online advertisement for their advertiser customers through various online media platforms.

3. Excluding the traffic acquisition costs incurred on Supplier A's online short video platforms.

4. Others mainly include mobile-device-manufacturer-based media platforms.

The table below sets forth our traffic acquisition for our media partners by their types for the periods indicated:

	Year ended December 31,						Four months ended April 30,	
	2018		2019		2020		2021	
	RMB'000	% of the total	RMB'000	% of the total	RMB'000	% of the total	RMB'000	% of the total
Online media platforms	988,365	96.9	3,064,551	96.6	5,036,546	84.9	1,767,187	86.8
Media agents	31,564	3.1	107,102	3.4	898,409	15.1	268,146	13.2
Total	1,019,929	100.0	3,171,653	100.0	5,934,955	100.0	2,035,333	100.0

The total number of our media agents decreased during the Track Record Period. This was primarily because we managed to transact with online media platforms directly so as to deepen our direct cooperation with them. The increase in our costs paid to media agents during the Track Record Period, on the other hand, was primarily due to our continuous business expansion in which we have to collaborate with the media agents to purchase user traffic of the online media platforms where we are not recognized online marketing solutions providers and cannot place online advertisements for our advertiser customers directly. For instance, the significant increase in costs paid to media agents in 2020 was primarily because we acquired traffic from Supplier G, a media agent of another leading online short video platform in China. Regarding the reasons for us not being recognized as online marketing solutions provider by certain online media platforms, our Directors are of the view that, which was concurred by iResearch, one of the factors considered by online media platform in making such business decision is when an online marketing solutions service provider like us has established close relationship with some particular leading online media platforms such as Supplier A, it is not uncommon for other online media platforms, such as those direct competitors of Supplier A, decide to cooperate with these online marketing solutions provider through their own core business partners (i.e. Supplier G in our Company's case) for data privacy protection and information barrier purposes. By engaging online media agents to provide user traffic acquisition services, the online media platforms may restrict non-core online marketing solutions partners to access to its key operating and marketing data, and thus minimize the risk that such key and sensitive data may be leaked to their marketing competitors. On the other hand, non-core online marketing solutions provider partners are still able to collaborate with the leading online media platforms by purchasing user traffic from these media agents.

During the Track Record Period, the number of our online media platforms remained stable and the number of our media agents decreased from 43 in 2018 to 38 in 2019 to 24 in 2020. The proportion of our traffic acquisition costs paid to online media platforms in our total traffic acquisition costs, on the other hand, decreased from 96.6% in 2019 to 84.9% in 2020, primarily because our user traffic acquisitions costs with media agents increased significantly since we established business relationship with Supplier G, a media agent of another leading online short video platform in China in 2019 and our business with this leading online short video platform experienced significant growth since then. For the years ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2021, gross billing attributable to top ten media partners amounted to RMB1.9 billion, RMB5.1 billion and RMB8.6 billion and RMB3.1 million, respectively; and gross spending on traffic acquisition costs attributable to top ten media partners in terms of gross spending on traffic acquisition cost amounted to RMB1.8 billion, RMB4.8 billion, RMB8.3 billion and RMB2.9 billion, respectively.

Key Terms of Agreements with Our Media Partners

We generally enter into annual framework agreements with our media partners. Salient terms of the agreement with our media partners include:

(i) ***Duration.*** one year.

(ii) ***Pricing.*** we generally enter into framework agreements with our media partners and pay user traffic acquisitions costs on a CPC and CPT basis.

(iii) ***Service Scope.*** the media partners grant us with the user traffic resources on their online media platforms and they set the geographic and industrial scope of our online short video delivery activities.

(iv) ***Content Review.*** the media partners shall review the contents of the online short video advertisements and marketing creatives to be placed on their online media platforms for regulatory compliance purposes.

(v) ***Termination.*** The annual framework agreements may be terminated (i) during the term upon mutual consent of both parties; (ii) in the event of winding-up, liquidation, bankruptcy and insolvency of either party; (iii) in the event of a *force majeure*; and (iv) by the non-defaulting party in the event of a material breach that is not remedied within a prescribed time-period.

OUR CREATIVITY AND CONTENT PRODUCTION CAPABILITY

We see our robust content production capability as one of our core competences, enabling us to differentiate from and outperform our competitors in the market. We primarily focus on improving the quality of creative contents of our online marketing solutions, in particular online short video advertisements to meet the evolving client demands and preferences. As of the Latest Practicable Date, we had an online short video creative and content production team of 380 persons including editors, scriptwriters, directors and photographers and other supporting staff with the capacity to produce over 20,000 pieces of short videos and marketing creatives each month.

As of the Latest Practicable Date, we have built online short video shooting bases in Beijing and Chongqing, and both of them are equipped with professional equipment. Our shooting bases in Beijing have a total area of over 5,000 square meters with over 30 different shooting scenarios, enabling us to cater to diverse short video demands and preferences of our advertiser customers from various industry verticals.

The following chart illustrates the typical workflow of the production of our online short video marketing solutions. The whole content production process generally takes within a week.

- ***Idea generation and scriptwriting.*** Pursuant to the advertiser customers' specific requirements, we develop creative initiatives for each marketing campaign, which, after agreed by our advertiser customers, are then translated to the scripts by our scriptwriters.

- ***Pre-production and filming.*** For our online short video marketing campaigns, we primarily engage actors and actresses to film the short videos. Our pre-production crews will prepare the make-ups, costumes, props and sets logistics, and our directors will coordinate with other production crew, such as filming and lighting, to deliver alternative scenarios to be selected for inclusion in the final online marketing solutions.

- ***Post-production.*** After completion of filming, the directors will work with our editors and post-production crew to assemble and polish the final online marketing solutions, including video and sound editing, creating and recording music, adding special effects and color grading, among others.

- ***Content review and placement.*** Our legal and compliance department reviews the content to ensure that we comply with applicable laws and regulations, ethical standards as well as our media partners' internal policies. The placement of an online short video advertisement is also subject to the review and approval by both the advertiser customers and our media partners.

- ***Performance review and optimization.*** Our content production and operation team will closely review the KPIs, such as impressions and click-throughs of our online marketing solutions upon their placement. For example, we will identify and accumulate those creative insights that may drive the popularity of the online short videos and those factors that need to be further improved, deliver optimization plans regarding our initiatives, narrative and scenarios, acting as well as shooting and post production for further improvement.

Online Short Video Research Center

In 2019, we founded our online short video research center to research the structure, elements, copywriting and consumer profile of popular online short videos, so as to seek the patterns behind such popularity to propose creative insights and innovative ideas and further promote our robust content production capabilities. As of the Latest Practicable Date, our online short video research center mainly consists of ten researchers, all of whom have extensive experiences in online short video content production and marketing industries.

The researches in our online short video research center primarily include user-friendly marketing scenario study, creative insights study and data-driven performance study. For user-friendly marketing scenario study, our research teams mainly focus on how to produce tailor-made marketing solutions based on the diverse needs and mindsets of our final consumers. For creative insights study, the relevant researches are mainly in connection with the selection of appropriate narratives, optimization of make-ups, costumes, props and sets logistics for each advertising campaign. For data-driven performance study, we mainly require our research center to analyze, understand and accumulate those key creative insights that may drive the popularity of the online short videos, and thus facilitate the creation of popular video content and generate more impressions and click-throughs. Our online short video marketing solutions business has greatly benefited from our research center since its foundation. As a result of our systematic researches on the popularity and continuing innovations in the narratives and context structure of online short videos, we were able to provide a large amount of attractive, creative and influential online short video advertisement to our advertiser customers during the Track Record Period. In 2020, we were awarded the Ocean Engine Awards — Annual Leading Innovation Award (引擎獎－年度領創大獎), one of the most recognized awards in the market and honoured to those distinguished online marketing solutions providers for their breadth of media network, recognition from the customers, as well as creativity and innovations in online advertisements, for our creative online short video advertisements placed on Supplier A's distribution platforms.

TOP CUSTOMERS AND SUPPLIERS

Top Customers

Our top five customers during the Track Record Period comprise e-commerce companies, internet services companies, online gaming companies, cosmetic products companies, online education companies, software developing companies as well as traveling and leisure companies. We have maintained business relationships with our five largest customers during the Track Record Period for two to three years as of the Latest Practicable Date. We generally grant to our customers credit terms of 30 to 120 days. Sometimes we also require certain advertiser customers to prepay for our online marketing solutions services.

The following table sets forth the details of our five largest customers for the years ended December 31, 2018, 2019 and 2020, and the four months ended April 30, 2021, respectively:

Year Ended December 31, 2018

Ranking	Customer	Revenue	As a percentage of our total revenue	Length of business relationship with us (approximate)	Background
		(RMB in thousands)	(%)	(Year)	
1	Customer A	294,256	25.4	3	A leading Chinese e-commerce and logistics provider based in Beijing, founded in 2007 and listed in 2014
2	Customer B	93,301	8.1	3	A leading Chinese electronic appliance retailer based in Nanjing, founded in 1996
3	Customer C	92,542	8.0	3	A leading Chinese online traveling and leisure company based in Shanghai, founded in 1999 and listed in 2003
4	Customer D	56,950	4.9	3	A Chinese software developer based in Beijing, founded in 1994 and listed in 2007
5	Customer E	49,946	4.4	3	A Chinese social media and e-commerce platform services provider based in Shanghai, founded in 2013
Total		586,995	50.8		

Year Ended December 31, 2019

Ranking	Customer	Revenue	As a percentage of our total revenue	Length of business relationship with us (approximate)	Background
		(RMB in thousands)	(%)	(Year)	
1	Customer A	846,745	24.5	3	A leading Chinese e-commerce and logistics provider based in Beijing, founded in 2007 and listed in 2014
2	Customer F	407,513	11.8	2	A private cosmetic manufacturer based in Guangzhou, founded in 2013
3	Customer B	147,451	4.3	3	A leading Chinese electronic appliance retailer based in Nanjing, founded in 1996
4	Customer G	133,048	3.9	3	A private e-commerce provider with a registered capital of US7.0 million based in Beijing, founded in 2015
5	Customer H	110,604	3.2	2	A private online gaming services provider based in Shanghai, with a registered capital of RMB10.5 million, founded in 2013
Total		1,645,361	47.7		

Year Ended December 31, 2020

Ranking	Customer	Revenue	As a percentage of our total revenue	Length of business relationship with us (approximate)	Background
		(RMB in thousands)	(%)	(Year)	
1	Customer A	2,690,689	42.3	3	A leading Chinese e-commerce and logistics provider based in Beijing, founded in 2007 and listed in 2014
2	Customer F	356,447	5.6	2	A private cosmetic manufacturer based in Guangzhou, founded in 2013
3	Customer H	290,030	4.6	2	A private online gaming services provider based in Shanghai, with a registered capital of RMB10.5 million, founded in 2013
4	Customer I	217,099	3.4	2	A private leading online education services provider based in Beijing, founded in 2012
5	Customer J	123,221	1.9	2	A leading online education services provider based in Beijing founded in 2017, whose parent company was listed in 2019
Total		3,677,486	57.8		

For the four months ended April 30, 2021

Ranking	Customer	Revenue	As a percentage of our total revenue	Length of business relationship with us (approximate)	Background
		(RMB in thousands)	(%)	(Year)	
1	Customer A	796,964	36.0	3	A leading Chinese e-commerce and logistic provider based in Beijing, founded in 2007 and listed in 2014
2	Customer I	102,985	4.7	2	A private leading online education services provider based in Beijing, founded in 2012
3	Customer K	74,233	3.4	2	A private online gaming services provider based in Chengmai, founded in 2018
4	Customer L	53,904	2.4	2	A private online information service provider based in Beijing, founded in 2013
5	Customer J	53,438	2.3	2	A leading online education services provider based in Beijing founded in 2017, whose parent company was listed in 2019
Total		1,081,524	48.8		

For the years ended December 31, 2018, 2019, 2020 and the four months ended April 30, 2021, revenue from our five largest customers accounted for approximately 50.8%, 47.7%, 57.8% and 48.8% of our total revenue, respectively, and revenue from our largest customer accounted for approximately 25.4%, 24.5%, 42.3% and 36.0% of our total revenue during the same periods, respectively. For the year ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2021, revenue generated from our top five advertiser customers of all-in-one service accounted for 52.8%, 48.8%, 58.4% and 50.0% of our total revenue from all-in-one service, respectively. Our largest customer under the all-in-one service, Customer A, accounted for 26.5%, 25.1%, 42.8% and 36.9% for the years ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2021. For the same periods, revenue generated from our top five advertiser customers of advertisement distribution service accounted for 42.1%, 48.1%, 42.4% and 45.1% of our total revenue from advertisement distribution service, respectively. Our largest customers under the advertisement distribution service accounted for 21.4%, 21.1%, 12.6% and 12.3% for the years ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2021, which we do not consider there was particular concentration risk or any particular impact on our profitability as it accounted for a comparatively small portion of our revenue during the Track Record Period. See "Risk Factors — Risks Relating to Our Business and Industry — We generated majority portion of revenues from our largest five advertiser customers, in particular our largest advertiser customer, Customer A, during the Track Record Period" for details.

To the best knowledge of our Directors, during the Track Record Period and as of the Latest Practicable Date, none of our Directors, their respective associates or any of our shareholders who owns more than 5% of our issued share capital had any interest in any of our five largest clients.

Our relationship with Customer A

During the Track Record Period, we have established a strong and strategic relationship with Customer A which was also our largest customer. Customer A first engaged us to market its products and services on major online media platforms in 2018. As of the Latest Practicable Date, we mainly delivered online marketing solutions, in particular online short video marketing solutions to Customer A as a non-exclusive online marketing solutions provider for nearly three years and have not experienced any material disputes with it. During the Track Record Period, our revenue derived from Customer A amounted to approximately 25.4%, 24.5%, 42.3% and 36.0% of our total revenue for the years ended December 31, 2018, 2019, 2020 and the four months ended April 30, 2021, respectively. Additionally, we entered into the agreements with Customer A in 2018, 2019, 2020 and 2021 with similar terms as they contracted with other online marketing solutions providers, and there has been no material change in our terms with Customer A since the commencement of our business relationship in 2018. Despite such customer concentration, our Directors are of the view that there is no material reliance issue on Customer A and we are capable of sustaining our services in the future, primarily because:

- According to iResearch, it is not uncommon for online marketing solutions providers like us in the PRC to generate major proportion of revenues from one or a few sizeable advertiser customers, especially e-commerce business due to increasing online short video advertising budget allocated to us by such leading e-commerce providers as a result of the rapid development of their business in China.

- As an e-commerce platform, Customer A is highly sensitive to user traffic and has strong marketing needs for quality online short marketing solutions to promote its brands and services on other major online media platforms so as to acquire, retain and convert more final consumers in the highly competitive e-commerce market. For instance, our revenue generated from Customer A, on the other hand, amounted to approximately 25.4% and 24.5% only for each of the two years ended 31 December 2018 and 2019 and increased significantly to 42.3% for the year ended 31 December 2020. The significant increase in 2020 was primarily because Customer A placed a substantial increasing marketing budget on us to market its products and services on the second largest online short video platforms in China. In this regard, our Directors believe that we are not relying on Customer A in our business relationship. Instead, our increasing business with Customer A demonstrated that our quality and competitive online marketing solutions services, and further strengthen our already strong position in the market.

- We serve a sizable, diversified and fast-growing advertiser customers base operating in a wide array of industry verticals, including e-commerce, internet services, gaming, leisure & traveling, education, financial services and real estate & home furnishing industries. During the Track Record Period, we also served a number of leading market players in the e-commerce industry besides Customer A, such as Customer B, which is a leading Chinese electronic appliance retailer and was one of our five largest customers during the Track Record Period. In addition, although our revenue from direct e-commerce advertiser customers like Customer A accounted for the largest proportion of our revenue during the Track Record Period, our revenues generated from gaming, education, internet services and other fast-growing industries all experienced significant growth for the same periods. For example, our total revenues generated from gaming advertiser customers increased significantly from RMB98.3 million in 2018 to RMB325.8 million in 2019 and further to RMB961.9 million in 2020. Our total revenues generated from education advertiser customers increased significantly from RMB78.3 million in 2018 to RMB210.4 million in 2019 and further to RMB646.4 million in 2020; and

- We have made and will continue to make efforts to reduce our customer concentration on Customer A by diversifying our advertiser customer base and seeking opportunities in fast-growing and emerging industries such as electricity vehicles, community buying and healthcare management. For example, we are also planning to secure a number of leading market players in the above-mentioned industries. For more details, see "— Our Strategies — Reinforce and expand our relationships with media partners and advertiser customers" and "Future Plans and Use of Proceeds." Our Directors believe that, with increasing expansion of our advertiser customers, the proportions of our revenue derived from Customer A to our total revenue are expected to decrease in the future.

In addition, our Directors are also of the view that it is highly unlikely for our business relationship with Customer A to materially adversely change or terminate in the foreseeable future. This is primarily because (i) with the rapid development and increasing popularity of online short video since 2018, online short video marketing solutions has become one of the most important marketing solutions for e-commerce direct advertiser customers. Customer A, which is one of the leading e-commerce providers in China, is expected to have increasing demand for online short video marketing solutions and brand management; and (ii) as a close business partner of Customer A, we have been providing high-quality marketing services to Customer A, which was proved by the rapid growth of our business with Customer A during the Track Record Period. Meanwhile, we have also secured large amount of online marketing solutions business with Customer A. For example, we have contracted with Customer A to serve as its online marketing solutions provider to place its online advertisements on the content distribution platform of China's second largest online short video platforms in 2020. In the worst and very unlikely scenario that our relationship may be changed,

however, we are still able to mitigate such exposure taking account of our abilities to diverse our advertiser customer bases and explore new marking opportunities as mentioned above.

Factoring Arrangements

During the Track Record Period, as part of our cash flow management measures to improve our liquidity position, we entered into factoring arrangements with recourse and without recourse with two affiliated financial institutions of Customer A and Customer B, in respect of the accounts receivables from Customer A and Customer B, respectively. Since we incurred large amount of accounts receivables with both Customer A and Customer B, and granted longer credit periods of 120 days and 90 days to these two leading customers, respectively during the Track Record Period, our Directors believe that the entering into factoring arrangements with these the two affiliated financial institutions of Customers A and B can help us recover the accounts receivables more efficiently so as to better support our daily operation. Meanwhile, our sales with both Customer A and Customer B are not conditional on the entering into of the respective factoring agreements, and to the best knowledge of our Directors, both financial institutions were Independent Third Parties of the Company. As of December 31, 2019, 2020 and April 30, 2021, the total accounts receivables with Customer A factored under the relevant arrangements amounted to RMB591.1 million, RMB1,845.0 million and RMB790.6 million, respectively. As of December 31, 2018, 2019, 2020 and April 30, 2021, our total accounts receivables with Customer B, factored under the relevant arrangement amounted to RMB22.7 million, RMB128.5 million, RMB87.7 million and nil, respectively.

As advised by the PRC Legal Advisors, in accordance with the "Circular of the Ministry of Commerce on the Pilot Work of Commercial Factoring" (商務部關於商業保理試點有關工作的通知) and the "Circular of the General Office of the China Banking and Insurance Regulatory Commission on Strengthening the Supervision and Administration of Commercial Factoring Enterprises" (中國銀保監會辦公廳關於加強商業保理企業監督管理的通知), it is permitted that a supplier transfers the receivables based on real transactions to a commercial factoring enterprise, which can provide the supplier with the factoring financing services, collection of receivables services or other relevant services, in addition, based on public information disclosure, both financial institutions have obtained their relevant commercial factoring licenses and permits, therefore, our factoring arrangement is in compliance with the applicable PRC laws and regulations. For more details on our factoring arrangements, see "Financial Information — Certain Balance Sheet Items — Financial assets at FVOCI" and "Financial Information — Indebtedness and Contingent Liabilities — Indebtedness."

Our Directors are of the view that, which is concurred by the Sole Sponsor, (i) the factoring arrangement is a common way of financing, particular for asset-light companies with non-abundant of assets pledged to bank for obtaining finance like us according to iResearch. Factoring our accounts receivables to licensed financial institutions, in this regard, will be an additional way to obtain finance for our daily operation; and (ii) the factoring agreements were entered into with the licensed financial institutions, which are associates of reputable and leading listed companies, and the relevant terms are negotiated on arms' length basis. In particular, we have taken into account the fact that the

interests and relevant expenses charged under the factoring arrangements are comparable to our other borrowings. Additionally, our Directors also noted from public information that the relevant financial institutions also provide similar factoring services to the other suppliers of Customer A and Customer B, respectively.

Top Suppliers

Our major suppliers are online media platforms such as online short video platforms, information feeds platforms and major search engine platforms from whom we acquire user traffic. Our five largest suppliers during the Track Record Period comprised online media platforms and media agents. We have maintained business relationships with our five largest suppliers during the Track Record Period of one to three years as of the Latest Practicable Date. Our suppliers generally grant us credit terms within 90 days. Certain suppliers also require prepayments for acquiring their user traffic.

The following tables set forth the details of our five largest suppliers for the years ended December 31, 2018, 2019 and 2020, and the four months ended April 30, 2021, respectively:

Year Ended December 31, 2018

Ranking	Supplier	Cost of services	As a percentage of our total cost of services	Length of business relationship with us (approximate)	Background
		(RMB in thousands)	(%)	(Year)	
1	Supplier A	559,707	53.3	3	A leading Chinese internet technology services provider with the largest online short video platform in China, based in Beijing, founded in 2012
2	Supplier B	159,105	15.2	3	A leading Chinese online search engine provider based in Beijing, founded in 2010 and listed in 2017
3	Supplier C	152,296	14.5	3	A leading Chinese online search engine provider based in Beijing, founded in 2007 and listed in 2011
4	Supplier D	107,562	10.2	3	A Chinese online search engine and information feed services provider, based in Guangzhou, founded in 2015
5	Supplier E	30,974	3.0	3	A private advertising services provider with a registered capital of RMB15.0 million, founded in 2015
Total		1,009,644	96.2		

Year Ended December 31, 2019

Ranking	Supplier	Cost of services	As a percentage of our total cost of services	Length of business relationship with us (approximate)	Background
		(RMB in thousands)	(%)	(Year)	
1	Supplier A	2,351,710	73.2	3	A leading Chinese internet technology services provider with the largest online short video platform in China, based in Beijing, founded in 2012
2	Supplier D	233,124	7.3	3	A Chinese online search engine and information feed services provider, based in Guangzhou, founded in 2015
3	Supplier B	212,276	6.6	3	A leading Chinese online search engine provider based in Beijing, founded in 2010 and listed in 2017
4	Supplier C	182,964	5.7	3	A leading Chinese online search engine provider based in Beijing, founded in 2007 and listed in 2011
5	Supplier E	81,716	2.5	3	A private advertising services provider with a registered capital of RMB15.0 million, founded in 2015
Total		3,061,790	95.3		

Year Ended December 31, 2020

Ranking	Supplier	Cost of services (RMB in thousands)	As a percentage of our total cost of services (%)	Length of business relationship with us (approximate) (Year)	Background
1	Supplier A	4,284,864	71.0	3	A leading Chinese internet technology services provider with the largest online short video platform in China, based in Beijing, founded in 2012
2	Supplier G	854,216	14.1	2	A private online short video advertising services provider with a registered capital of RMB10.0 million, founded in 2019
3	Supplier D	230,082	3.8	3	A Chinese online search engine and information feed services provider, based in Guangzhou, founded in 2015
4	Supplier B	192,534	3.2	3	A leading Chinese online search engine provider based in Beijing, founded in 2010 and listed in 2017
5	Supplier F	130,283	2.2	1	A leading Chinese online search engine and information feed platform services provider based in Beijing, founded in 2000 and listed in 2005
Total		5,691,979	94.3		

For the four months ended April 30, 2021

Ranking	Supplier	Cost of services	As a percentage of our total cost of services	Length of business relationship with us (approximate)	Background
		(RMB in thousands)	(%)	(Year)	
1	Supplier A	1,449,817	69.3	3	A leading Chinese internet technology services provider with the largest online short video platform in China, based in Beijing, founded in 2012
2	Supplier G	264,068	12.6	2	A private online short video advertising services provider with a registered capital of RMB10.0 million, founded in 2019
3	Supplier F	100,534	4.8	1	A leading Chinese online search engine and information feed platform services provider based in Beijing, founded in 2000 and listed in 2005
4	Supplier D	74,640	3.6	3	A Chinese online search engine and information feed services provider, based in Guangzhou, founded in 2015
5	Supplier B	42,770	2.0	3	A leading Chinese online search engine provider based in Beijing, founded in 2010 and listed in 2017
Total		1,931,829	92.3		

For the years ended December 31, 2018, 2019, 2020 and the four months ended April 30, 2021, the costs of services attributable to our five largest suppliers accounted for approximately 96.2%, 95.3%, 94.3% and 92.3% of our total costs of services, respectively, and costs of services attributable to our largest supplier, Supplier A, accounted for approximately 53.3%, 73.2%, 71.0% and 69.3% of our total costs of services during the same periods, respectively.

To the best knowledge of our Directors, during the Track Record Period and as of the Latest Practicable Date, none of our Directors, their respective associates or any of our shareholders who owns more than 5% of our issued share capital had any interest in any of our five largest suppliers.

Supplier Concentration on Supplier A

During the Track Record Period, Supplier A was our single largest supplier. According to iResearch, Supplier A's market share in the online short video platform industry was around 75% in terms of total marketing gross billing in 2020 in China. Due to its dominant market leadership and largest market shares in China's online short video

platform industry, we purchased a substantial amount of user traffic from Supplier A and generated a substantial portion of our revenue through Supplier A's content distribution platforms during the Track Record Period. For the years ended December 31, 2018, 2019 and 2020, our total gross billings generated through Supplier A's content distribution platforms grew at a CAGR of 165.0% from RMB850.4 million to RMB3,455.2 million, and further to RMB5,969.9 million, which accounting for 43.1%, 67.1% and 68.1% of our total gross billings generated for the same periods, respectively. Our total gross billing generated through Supplier A's content distribution platforms recorded RMB2,065.1 million, accounting for 66.1% of our total gross billing for four months ended April 30, 2021. We also rely on Supplier A's platforms to collect online short video advertisements performance data to analyse and develop our own data graphs. Additionally, we enter into annual framework agreements with Supplier A, which is confirmed by iResearch to be an industry norm. Such annual framework agreements are subject to annual renewal, and we have successfully renewed such agreements with Supplier A for three times on similar key terms and conditions since we first commenced business with Supplier A in 2018. To the best knowledge of our Directors, which is concurred by iResearch, it is uncommon for advertiser customers to transact directly with the online media platforms in the market. Supplier A has not offered any material online marketing solution services directly to nor has any material transaction directly with our major advertiser customers during the Track Record Period.

Background Information of Supplier A

Supplier A, founded in 2012, is a leading Chinese internet technology company and considered as world's second largest unicorn company in terms of market value in 2020 according to Hurun Research Institute. According to iResearch, Supplier A's market share in the online short video platform industry was around 75% in terms of total marketing gross billing in 2020 in China. Supplier A's dominant market share drives online services providers to deliver convenient, efficient online marketing contents delivery services and improve the marketing returns for their advertiser customers on Supplier A's online content distribution platforms. Therefore, it is quite common for online short video marketing solutions providers to rely on Supplier A's online short video platforms to acquire user traffic and place online short video advertisements.

Key Terms of Agreements with Supplier A

We have entered into annual framework agreements with Supplier A, which are subject to annual renewal, and sign an advertising campaign order with it for each advertising campaign, which specifies the specific content distribution platform, advertiser, advertising space, pricing model and payment and settlement terms for the campaign. The key terms and conditions of the annual framework agreements with Supplier A are generally as follows:

- ***Duration.*** One year.

- ***Advertising content.*** We undertake to ensure the advertising content we place on Supplier A's content distribution platforms is not false, fraudulent or misleading, does not violate any applicable laws, regulations and Supplier A's internal policies, and does not infringe on any third party's rights. Supplier A is entitled to terminate the agreements with us if we fail to remedy any illegal or inappropriate advertising content after being notified by Supplier A and we shall indemnify Supplier A against any claims and losses which may arise from any such illegal or inappropriate advertising content.

- ***Data verification.*** We are entitled to engage independent third party data tracking platforms to verify the ad performance data provided by Supplier A and settle any discrepancy with it in accordance with the terms of the agreements.

- ***Confidentiality.*** Each party shall keep confidential the information acquired in the performance of the relevant agreement and the contract terms thereof, unless otherwise required by laws and regulations or with the prior written consent of the other party.

- ***Termination.*** The annual framework agreements may be terminated (i) upon mutual consent of both parties; (ii) in the event of a *force majeure*; and (iii) by the non-defaulting party in the event of a material breach.

According to iResearch, due to Supplier A's dominant market position, it adopts a universal standard annual framework agreement with all online marketing solutions providers. Additionally, our agreements with Supplier A are in general similar to those with other major online media platforms in respect of scope and substance and consistent with the market norms according to iResearch. All of our agreements with online media platforms are negotiated on an arm's length basis, and none of these agreements includes any non-competition clause that prevents the placement of the same advertising content provided by us on other online media platforms. Our annual framework agreement with Supplier A generally starts from January 1 and expires on December 31 of each year. We generally approach Supplier A one month prior to the expiry of the annual framework agreement for the renewal of our cooperation with Supplier A in the next year. We have successfully renewed our annual framework agreements with Supplier A on similar key terms and conditions and there has been no material change in the terms and conditions since the establishment of our cooperation in 2018. During the Track Record Period and up to the Latest Practicable Date, there had been no material service interruptions or disputes between Supplier A and us.

Quantitative Information in Relation to Purchases from Supplier A

Due to its frontrunner advantages in technologies and innovations, Supplier A is able to dominate the online short video platform industry in China according to iResearch. The Company, on the other hand, with its business principally engaged in China's online marketing solutions industry and focus on placing advertisements on online short video platforms, are unlikely to diversify or reduce its reliance on Supplier A to a material extent in short term. Our Directors believe, which is concurred by iResearch, this is in line with the industry norm. Despite such reliance, we have established a stable and cooperative relationship with Supplier A. We have been cooperating with Supplier A since 2018. During the Track Record Period, we generated a significant amount of revenue from our advertiser customers by planning, launching and managing advertising campaigns through Supplier A's content distribution platforms. The table below illustrates our gross billing and total purchases of user traffic in connection with Supplier A for the periods indicated:

	Year ended December 31,			Four months ended April 30,
	2018	2019	2020	2021
	% of our gross billing or total user traffic acquisition costs			
Gross billing	43.1%	67.1%	68.1%	66.1%
User traffic acquisition costs	54.9%	74.1%	72.2%	71.2%

Stable and Cooperative Relationships with Supplier A

We believe we are a valuable business partner of Supplier A in the sense that:

- ***We are a fast-growing online marketing solutions provider in the PRC***. According to iResearch, we ranked the second largest online marketing service provider in China in terms of gross billing generated from online short video advertisements placed on online media platforms in 2020 with market share of approximately 3.0%[1]. We also ranked the second largest online marketing service provider in China in terms of gross billing generated from advertisement placed on online short video platforms in 2020 with market share of approximately 3.9%[1]. According to iResearch, Supplier A recognizes one as its core online marketing solutions provider after taking into account, among others, its service capability, experience and qualification. The core online marketing solutions providers could acquire user traffics from Supplier A directly. There are 150 to 300 core online marketing solutions

Note:

1 Both markets are sub-sectors of the PRC online marketing market.

providers, according to iResearch, and as separately confirmed by Supplier A in an interview, we are among Supplier A's top ranked online marketing services providers. During the Track Record Period, we experienced rapid growth in terms of our business with Supplier A and our total traffic acquisition from Supplier A has increased significantly from 2018 to 2020. Additionally, we were awarded Ocean Engine Awards — Annual Leading Innovation Award (引擎獎－年度領創大獎) by Supplier A in 2020. We were also awarded Creative Online Short Video Award for E-commerce Industry (電商行業創意短視頻獎), Gold Medal for Online Short Video Category (短視頻類金獎) as well as Gold Medal for Industry Category (行業類金獎) by Supplier A in 2018 and 2019.

- ***We provide value-added services to advertiser customers which online media platforms generally do not offer***. We provide one-stop solutions to advertiser customers to help them acquire, convert and retain final consumers through effective and cost-efficient online marketing campaign. Our value-added services include production of ad creatives and management of campaign performance, which are generally not available if the advertiser customers transact directly with leading online media platforms. We believe that it is not economically efficient for leading online media platforms to invest time and efforts to learn about advertisers' diverse and evolving needs and closely monitor campaign performance to achieve effectiveness, as they are more inclined to monetize their massive user traffic.

- ***We serve a sizable, diversified and fast-growing advertiser customers base***. To the understanding of our Directors, the online short video marketing solutions industry is a customer-demand-driven market. We serve a fast-growing and diversified advertiser customers base operating in a wide array of industry verticals, including e-commerce, internet services, gaming, leisure & traveling, education, financial services and real estate & home furnishing industries. During the Track Record Period, the total number of our advertiser customers have increased rapidly from 484 in 2018 to 757 in 2019 and 1,028 in 2020. The total number of our advertiser customers also increased from 565 for the four months ended April 30, 2020 to 651 for the four months ended April 30, 2021 and increased to more than 900 as of the Latest Practicable Date. Besides, we also built a diversified and fast growing key account advertiser base with higher marketing budget to support our sustainable development.

- ***We have further strengthened our collaboration with Supplier A.*** In July 2021, we entered into a cooperation partner agreement with a subsidiary of Supplier A and serve as one of its core cooperation partners to distribute and provide related customer services for its internet-based, interconnected enterprise software collaboration platform (the "**Supplier A Collaboration Platform**"). The Supplier A Collaboration Platform has been gaining popularity in China and has become one of the top ten most popular productivity apps in China in 2020 by the number of monthly active users according to iResearch.

Based on the above, our Directors believe that even though it cannot be concluded that there is a mutually reliance relationship between our Company and Supplier A due to Supplier A's dominate position in the market with significant bargaining power, we have established stable and cooperative relationship with Supplier A. We have also demonstrated, through our increasing business with Supplier A, that we are capable to place large scale, attractive and effective online short video marketing solutions on Supplier A's content distribution platforms and appeal large number of visitors and potential final consumers. In this regard, our Directors believe that we are a key and valuable business partner to Supplier A and our relationship with Supplier A is unlikely to materially adversely change or terminate in the foreseeable future.

Diversification of media partner base and revenue stream

During the Track Record Period, our total amount of purchases from Supplier A amounted to RMB559.7 million, RMB2,351.7 million, RMB4,284.9 million and RMB1,449.8 million, respectively, accounting for 54.9%, 74.1%, 72.2% and 71.2% of our traffic acquisition costs, and 53.3%, 73.2%, 71.0% and 69.3% of our total cost of services for the years ended December 31, 2018, 2019, 2020 and four months ended April 30, 2021, respectively, primarily due to Supplier A's dominant market share in China's online short video platform industry.

Despite that, we were not bound by any contractual obligations not to engage any online short video platforms pursuant to the agreements with Supplier A and any other existing media partners and have been diversifying our media partner bases and procure advertising space at a reasonable price from other media partners such as Supplier B, Supplier C, Supplier D and Supplier F, all of which were popular online media platforms in China and among our five largest suppliers for the years ended December 31, 2018, 2019, 2020 and the four months ended April 30, 2021, respectively. In the worst case but unlikely scenario where Supplier A ceases the business cooperation with us, we may still be able to purchase user traffic from other advertising agencies. In addition, we have made efforts to manage our supplier concentration on Supplier A by diversifying our media partner base and seeking opportunities to cooperate with other industry leading content distribution platforms. For example, we commenced our business relationship with another leading online short video platform in China in February 2019 and our business with this online short video platform increased significantly since then. In 2020, Supplier G, a media agent of this online short video platform, has become one of our five largest suppliers.

During the Track Record Period, our total revenue attributable to Supplier G amounted to RMB31.2 million and RM907.9 million for the years ended December 31, 2019 and 2020 respectively, accounting for 0.9% and 14.3% of the Group's total revenues for the same years, respectively. Our total revenue attributable to Supplier G increased from RMB147.0 million for the four months ended April 30, 2020 to RMB271.0 million for the four months ended April 30, 2021, accounting for 10.2% and 12.2% of the Group's total revenue for the same periods, respectively. Our total gross billing attributable to Supplier G amounted to RMB55.3 million, and RMB991.7 million for the years ended December 31, 2019 and 2020, respectively, accounting for 1.1% and 11.3% of the Group's total gross billing for the same years, respectively. Our total gross billings attributable to Supplier G

increased from RMB175.0 million for the four months ended April 30, 2020 to RMB302.5 million for the four months ended April 30, 2021, accounting for 8.5% and 9.7% of the Group's total gross billings for the same periods, respectively. Our total cost of services attributable to Supplier G amounted to RMB23.0 million and RMB854.2 million for the years ended December 31, 2019 and 2020, respectively, accounting for approximately 0.7% and 14.2% of total cost of services for the same years, respectively. Our total cost of services attributable to Supplier G increased from RMB140.2 million for the four months ended April 30, 2020 to RMB264.1 million for the four months ended April 30, 2021, accounting for 10.2% and 12.6% of the Group's total cost of services for the same periods, respectively.

Moreover, we commenced our business cooperation with Supplier F, a popular Chinese online media platform in 2020 and it became one of our five largest suppliers in the same year. In 2020, our total cost of services attributable to Supplier F amounted to RMB130.3 million, accounting for 2.2% of our total cost of services in the same year. Supplier F further grew to our third largest supplier for the four months ended April 30, 2021, and our total cost of services attributable to Supplier F amounted to RMB100.5 million, accounting for 4.8% of our total cost of services in the same period. Our total gross billing attributable to Supplier F amounted to RMB349.1 million, and RMB275.4 million for the years ended December 31, 2020 and four month ended April 30, 2021, accounting for 4.0% and 8.8% of the Group's total gross billing for the same year/period, respectively. Our total revenue attributable to Supplier F amounted to RMB134.2 million and RMB106.0 million for the years ended December 31, 2020 and the four months ended April 30, 2021, respectively, accounting for 2.1% and 4.8% of the Group's total revenues for the same year/period, respectively.

As a result of consistent diversification efforts, our total amount of purchases from Supplier A of our total costs of service has decreased from 73.2% in 2019 to 71.0% in 2020 and further to 69.3% for the four months ended April 30, 2021. We believe that we will continue to be well positioned and benefit from the significant market periods. Since we mainly focus on providing online short video marketing solutions, the total costs of services from other online media platforms are rather smaller than that with Supplier A due to Supplier A's dominant market share. Despite that, these major online media platforms were also among our five largest suppliers in terms of cost of services during the Track Record Period. In addition, with the increasing focus on online short video marketing by other online media platforms according to iResearch, we expect that, benefited from our (i) current strong market position in the online short video marketing market, and (ii) good and established relationship with other online media platforms, placing of advertisements through other online media platforms will increase and thus enhance our ability to manage the risk on reliance on Supplier A. In addition to expanding the breadth and depth of cooperation with leading online marketing platforms, we plan to explore business opportunities with emerging industry players in the online marketing industry. For example, we plan to establish business relationships with some mobile-device-manufacturer-based media platforms, vertical community online media platforms and e-commerce media platforms. For more details, see "— Our Strategies — Reinforce and expand our relationships with media partners and advertiser customers" in this section and "Future Plans and Use of Proceeds" in this document.

We are capable of maintaining our revenue in the future in light of the supplier concentration

According to iResearch, the market size of online short video marketing market in China, in terms of the total online short video marketing gross billing, increased significantly at a CAGR of 147.3% from RMB30.2 billion in 2018 to approximately RMB184.6 billion in 2020. Due to the rapid development of online short video platforms, increasing popularity of online short video marketing solutions as well as the prevalence of internet devices and upgraded information technology, the online short video marketing market is expected to further grow at a CAGR of 30.7% from RMB184.6 billion in 2020 to RMB704.3 billion in 2025.

Our Directors believe that, due to Supplier A's dominant market leadership and largest market share in China's online short video platform industry, online short video services providers can provide convenient and efficient online short video marketing contents delivery services and maximize the marketing returns for their advertiser customers on Supplier A's online content distribution platforms. Therefore, it is quite common for online marketing solutions providers to rely on Supplier A's online short video platforms to acquire user traffic and place online short video advertisements. In spite of reliance on Supplier A, given our value-added services provided to advertiser customers, sizable and increasing advertiser base, well-established business relationship with other leading online short video platforms, as well as the rapidly growing online short video marketing market, we are capable of maintaining our operations and growth in the future.

Based on the above-mentioned disclosures, our Directors are also of the view that, which is concurred by the Sole Sponsor, (i) it is quite common for online marketing solutions providers to rely on Supplier A's online short video platforms to acquire user traffic and place online short video advertisements; (ii) our business relationship with Supplier A is unlikely to materially adversely change or terminate in the foreseeable future; and (iii) we have taken and will continue to take measures to diversify our media partner bases and revenue streams. However, we cannot assure you that the measures taken are sufficiently effective to mitigate our exposures to any material adverse change to or termination of our relation with Supplier A given Supplier A's dominant market share. See "Risk Factors — Risks Relating to Our Business and Industry — We rely on Supplier A's media platforms to acquire user traffic for our advertiser customers during the Track Record Period. If we fail to maintain our business relationship with Supplier A or if Supplier A loses its leading market position or popularity, our business, financial condition and results of operations could be materially and adversely affected."

Our Directors are of the view that we are highly unlikely to be disintermediated by online media platforms or the advertiser customers. To start with, it is uncommon and not economically efficient for leading online media platforms, especially top online short video platforms like Supplier A to transact with advertiser customers directly according to iResearch, as (i) instead of the mere acquisition of user traffic from leading online media platforms, advertiser customers are in greater need of value-added services provided by online marketing solutions providers, such as creative planning of advertising campaign, production of ad creatives and management of campaign performance, to achieve better

marketing effectiveness; while online media platforms generally do not offer such value-added services as they have to invest time and efforts to learn about advertiser customers' diverse and evolving marketing needs and closely monitor campaign performance to achieve desired results; and (ii) to monetize user traffic is more economically efficient than to provide value-added services and is currently the primary monetization method for online media platforms. Additionally, online media platforms do not have motivations to deal with hundreds of thousands of advertiser customers directly because they have to expand their sales and marketing teams to directly serve advertiser customers, which will divert online media platforms from their core business. Therefore, online media platforms need online marketing solutions providers to handle a massive population of advertiser customers so that they can concentrate on the development of their core business. Based on the above information, the Sole Sponsor concurs the views of our Directors.

Our Major Suppliers Who Are Also Our Major Customers

During the Track Record Period, some of our major suppliers were also our customers. According to iResearch, it is common in the online marketing industry that such online short video platforms, social media platforms and search engine platforms may become advertiser customers when they have advertising needs to market their products or services on other online media platforms. Negotiations of the terms of our sales to and purchases from these overlapping customers and suppliers were conducted on an individual basis and the sales and purchases were neither inter-connected nor inter-conditional with each other. Our Directors confirmed that all of our sales to and purchases from these overlapping customers and suppliers were carried out in the ordinary course of business under normal commercial terms and on arm's length basis.

For the year ended December 31, 2018, our aggregate traffic acquisition cost attributable to Supplier B and Supplier E, being two of our five latest suppliers, amounted to RMB190.1 million. The aggregate revenue attributable to Supplier B and Supplier E as customers amounted to RMB0.8 million, representing 0.07% of our total revenue for the same period. For the year ended December 31, 2019, our aggregate traffic acquisition cost attributable to Supplier B, Supplier C and Supplier E, being three of our five latest suppliers, amounted to RMB477.0 million. The aggregate revenue attributable to Supplier B, Supplier C and Supplier E as customers amounted to RMB5.3 million, representing 0.15% of our total revenue for the same period. For the year ended December 31, 2020, our aggregate cost of services attributable to Supplier A, Supplier B, Supplier G and Supplier F, being four of our five latest suppliers, amounted to RMB5,461.9 million. The aggregate revenue attributable to Supplier A, Supplier B, Supplier G and Supplier F as customers amounted to RMB21.5 million, representing 0.3% of our total revenue for the same period. For the four months April 30, 2021, our aggregate traffic acquisition cost attributable to Supplier A, Supplier G, Supplier F and Supplier D, being four of our five latest suppliers, amounted to 1,889.1 million. The aggregate revenue attributable to Supplier A, Supplier G, Supplier F and Supplier D as customers amounted to RMB21.0 million, representing 1.5% of our total revenue for the same period.

SALES AND MARKETING

As of the Latest Practicable Date, we had a sales and marketing team comprising 37 full-time employees. Our marketing efforts are focused on deepening our relationship

with existing advertiser customers and media partners, developing relationship with new and potential advertiser customers as well as exploring new business opportunities with emerging online media platforms. During the Track Record Period, we primarily engaged with new advertiser customers and explored new business opportunities with online media platforms through recommendations of our existing advertiser customers and media partners, performance of our online marketing solutions as well as our reputations in the market. Our sales team will also approach new advertiser customers and online media platforms directly to expand our business.

For the years ended December 31, 2018, 2019, 2020 and the four months ended April 30, 2020 and 2021, our selling expenses amounted to RMB13.6 million, RMB18.3 million, RMB18.8 million, RMB5.3 million and RMB9.3 million, respectively, accounting for 1.2%, 0.5%, 0.3%, 0.4% and 0.4% of our total revenue for the same periods.

OUR INFORMATION TECHNOLOGY INFRASTRUCTURE

We engage a leading cloud computer service provider in China to build our cloud-based information technology infrastructure, which guarantees highly scalability and reliability, as well as enables us to process massive data in real time and conduct complexity and diversity design based on users' actual situations.

Key features of our information technology infrastructure are set out below:

- ***Reliability and Scalability.*** We use highly scalable and reliable cloud-based IT infrastructure to support and optimize our business operations. We utilize cloud computing technology provided by a leading cloud computing services provider in China to access servers, storage and databases for our online marketing solutions business. We also use micro-service technology in our cloud-based IT infrastructure to easily scale up our computing resources and support sudden user traffic and order spikes from our customers. We can organize our data and configure finely-tuned access controls to meet specific business, organizational and compliance requirements.

- ***Firewall and Security.*** Our internal network is configured with multiple layers of security to isolate our database from unauthorized access and we use sophisticated security protocols for internal and external communication and transmission of encrypted data and information. We also utilize firewalls to prevent unauthorized access to our systems. In addition, we maintain an automatic monitoring system which is able to monitor key indicators in our business operations and information technology infrastructure and triggers an alert when any indicator exceeds its safe threshold, allowing us to quickly respond to unexpected incidents.

Our Directors confirm that there was no security breach to the Company's IT infrastructure or any other IT-related mishaps during the Track Record Period.

DATA SOURCES

We collect certain user data from the online media platforms, including (i) a wide variety of data on a real-time basis from the online media platforms through API connections, which include ad performance data, such as impressions, video views, clicks-through, conversion rates and cost per conversion; and (ii) some necessary ad performance data to enhance our AI, algorithm-driven and data base technologies. We also collect additional data that are voluntarily provided by advertiser customers, including post-ad interaction events such as account registration and activation and placement of order, which are not readily available through analysis of data provided by online media platforms.

We are of the view that the data privacy risk associated with such data collection is low, because (i) we generally provide online marketing solutions only to business (i.e. enterprise advertiser customers) rather than individuals (i.e. natural persons). Accordingly, the data we collect is generally limited to performance data of enterprises rather than personal data of natural persons, and is device-specific and we distinguish internet devices by device IDs, while we generally do not collect or store any personal data that can identify a real person, such as legal name, phone number and personal ID, whereas the applicable data privacy laws in China are mainly focused on the protection of personal data rather than performance data of enterprises; and (ii) these data are mainly used to strengthen our content production capabilities, and not related to any consumer profile or preference, any other personal information or otherwise involves data privacy issues. Our PRC Legal Advisors are of the view that the collection of such data is in compliance with applicable laws and regulations in China.

Our Directors confirm that, data mining refers to a process to extract a large set of usable data from the raw data in order to analyze the data pattern for commercial use. The source of data mining is raw data, which usually include personal information data. Our Directors confirm that, our U-Engine platform, on the other hand, makes big-data analytics, which mainly organizes and analyses large set of advertising performance feedbacks data and collect business data in relation to the performance feedbacks of our online short video marketing solutions. We do not collect any personal data that may identify a real person. Based on the above, our PRC Legal Advisors are of the view that, no data mining is or will be involved in our provision of online short video marketing solutions.

RESEARCH AND DEVELOPMENT

We engage professional information technology services providers to develop and upgrade our information and technology systems, such as U-Engine platform. During the Track Record Period, we incurred total research and development expenditures of RMB4.4 million and RMB1.5 million for the year ended December 31, 2020 and the four months ended April 30, 2021, respectively. We are committed to continuously strengthening and innovating our IT infrastructure and technology, featured by the U-Engine platform, based on our annual development plan and assessment of market needs. For more details on our development of U-Engine platform, see "— Our Online Marketing Solutions Business — Our Proprietary Online Marketing Solutions Services Platform — U-Engine Platform" and "— Our Strategies — Continue to upgrade our U-Engine platform with AI capabilities and SaaS Technologies."

SEASONALITY

Our business is subject to seasonal fluctuations. The second half, especially the fourth quarter, of each calendar year generally contributes the largest proportion of our revenue as advertisers tend to allocate a significant portion of their online advertising budgets to the fourth quarter, which coincides with Chinese consumers' increased purchases around holidays and shopping events in the fourth quarter. The first quarter of each calendar year generally contributes a smaller portion of our revenue, primarily due to a lower level of allocation of online advertising budgets at the beginning of the calendar year in which the Chinese New Year fall. We expect our revenue to continue to fluctuate based on the seasonal factor that affects the online marketing industry as a whole. See "Risk Factors — Risks Relating to Our Business and Industry — Our business is subject to seasonal fluctuations which could have a material impact on our revenue, cash flow and operating results."

IMPACT OF OUTBREAK OF COVID-19 ON OUR BUSINESS

On January 30, 2020, the World Health Organization declared that the novel coronavirus named COVID-19 constituted a Public Health Emergency of International Concern. In response to the coronavirus outbreak in China, the PRC government has introduced a series of measures. Business activities in China have been limited, and business activities in certain countries and regions around the world have been temporarily disrupted.

As of the date of this document, we did not experience material business disruptions or operating difficulties due to the COVID-19 outbreak. We believe the COVID-19 outbreak has not materially affected our business relationships with our business partners. Most of our customers do not operate brick-and-motor stores nor are they reliant on physical operations in office premises. As such, they have been generally less affected by the COVID-19 outbreak than offline businesses.

For more details, see "Summary — Recent Development." See also "Risk Factors — Risks Relating to Our Business and Industry — We face risks related to natural disasters, health epidemics such as COVID-19, civil and social disruption and other outbreaks, which could significantly disrupt our operations" for more details of the risks we are exposed to due to health epidemics and other outbreaks.

COVID-19 Emergency Handling Plan and Related Measures

In February, 2020, we formed a company-wide COVID-19 emergency handling plan and established a contingency handling team to monitor COVID-19-related contingencies. We have required employees to monitor their body temperatures and report their whereabouts every day. Employees who have been to the outbreak area are required to promptly notify us and seek medical treatment if they have coronavirus symptoms. We take precautionary measures to maintain a safe and hygienic working environment, including distribution of masks every day to our employees.

COMPETITION

China's online short video marketing market and online marketing market have experienced rapid growth and attracted an increasing number of advertising budgets in recent years. Meanwhile, since leading online short video platforms are now promoting e-commerce business on their platforms, it is expected that online short video marketing solutions providers with expertise in e-commerce marketing solutions and equipped with strong content production capacities are well positioned to achieve faster business growth. Additionally, online marketing services providers with more premium media resources, stronger technical capabilities and efficient service capabilities are expected to better seize the development opportunities in the foreseeable future.

During the Track Record Period, we ranked the second largest online marketing service provider in China in terms of gross billing generated from online short video advertisements placed on online media platforms in 2020 with a market share of approximately 3.0%[1]. We also ranked the second largest online marketing service provider in China in terms of gross billing generated from advertisements placed on online short video platforms in 2020 with market share of approximately 3.9%[1]. In addition, we ranked the largest online marketing service provider in China in terms of gross billing generated from advertisements placed by general e-commerce platform advertisers on online short video platforms in 2020 with market share of approximately 16.0%.

See "Industry Overview" for a more detailed discussion on the markets in which we operate.

Note:

1 Both markets are sub-sectors of the PRC online marketing market.

AWARDS AND RECOGNITIONS

During the Track Record Period, we received awards and recognition in respect of our services, technology and innovation, significant ones of which are set forth below:

Year	Award/ Recognition	Award Issuing Media Partners
2020	Ocean Engine Awards Annual Leading Innovation Award (引擎獎－年度領創大獎)	ByteDance
2019	Silver Medal for Commercial Online Short Video Marketing Competition (商業化短視頻營銷案例大賽銀獎)	Kuaishou
	Gold Cube Award for Integrated Marketing (整合營銷類金魔方獎)	Alibaba
	Creative Online Short Video Award for E-commerce Industry (電商行業創意短視頻獎)	ByteDance
2018	Diamond Cube Award for Integrated Marketing (整合營銷類鑽石魔方獎)	Alibaba
	Gold Medal for Integrated Marketing (整合營銷金獎)	360 Search
	Zhurong Value-added Operation Award (祝融增值運營獎)	ByteDance
	Gold Medal for Industry Category (行業類金獎)	ByteDance
	Gold Medal for Online Short Video Category (短視頻類金獎)	ByteDance
	Third Place for Integrated Marketing of First Sogou Influence Digital Marketing Competition (第一屆搜狗影響力數字營銷案例大賽整合營銷銅獎)	Sogou Search

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we had one registered trademark and one domain name in China and two registered trademarks in Hong Kong that were material to our business. For more details on our material intellectual property, see "Appendix IV — Statutory and General Information — Further Information about the Business of Our Company — Intellectual property rights of our Group."

During the Track Record Period and as of the Latest Practicable Date, we had not been subject to any material dispute or claims for infringement upon third parties' trademarks, licenses and other intellectual property rights in China.

EMPLOYEES

As of the Latest Practicable Date, we had 925 full-time employees, including 616 based in Beijing, 199 based in Chongqing, 53 based in Shanghai, 39 based in Guangzhou, 16 based in Wuhan and 2 based in Hainan. The following table shows a breakdown of our employees by function as of that date:

Functions	Number of Employees	% of Employees
Management	7	0.8%
Operations	311	33.6%
Content Production	380	41.1%
Sales & Marketing	37	4.0%
Financing	44	4.8%
Supporting	115	12.4%
Technical	31	3.4%
Total	925	100%

We believe we have maintained good relationships with our employees. Our employees are not represented by a labor union. As of the Latest Practicable Date, we did not experience any strikes or any labor disputes with our employees which have had or are likely to have a material effect on our business.

Our employees typically enter into standard employment contracts with us. We place high value on recruiting, training and retaining our employees. We maintain high recruitment standards and provide competitive compensation packages. Remuneration packages for our employees mainly comprise base salary, performance salary and bonus. We also provide both in-house and external trainings for our employees to improve their skills and knowledge.

As required under PRC regulations, we participate in various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury, maternity, and unemployment benefit plans.

INSURANCE

We do not, and are not required by PRC laws to, maintain any business interruption insurance, key man life insurance, any insurance for our information technology infrastructure and systems or any insurance for our leased properties. For more details, see "Risk Factors — Risks Relating to Our Business and Industry — Our limited insurance coverage could expose us to significant costs and business disruption."

Our Directors believe that our insurance coverage is sufficient and adequate and in line with the industry norm. We periodically review and will make necessary and appropriate adjustments to our insurance coverage.

PROPERTIES

As of the Latest Practicable Date, we did not own any property. Instead, we leased and occupied nine properties in Beijing, Chongqing, Shanghai and Guangzhou with an aggregate gross floor area of approximately 7,288.2 square meters. These properties are used for non-property activities as defined under Rule 5.01(2) of the Listing Rules and are primarily used as premises for our offices and online marketing solutions production bases. Among such leased properties:

- For one property with an aggregate GFA of approximately 3,646.5 square meters (accounting for approximately 50.0% of the aggregate GFA of our leased properties), the lessor has not provided the relevant building ownership certificate to us and leased the property for inconsistent use with that designated in the corresponding land and building use permit. We mainly used this property for our offices and online marketing solutions production bases.

- For one property with an aggregate GFA of approximately 1,800.0 square meters (accounting for approximately 24.7% of the aggregate GFA of our leased properties), the property was built on state-owned allocated land on which properties are prohibited from leasing according to applicable PRC laws and regulations. In addition, the lessor also leased us the property for inconsistent use with that designated in the corresponding land and building certificate. We primarily used this property as our online marketing solutions production bases.

- For one property with an aggregate GFA of approximately 929.0 square meters (accounting for approximately 12.7% of the aggregate GFA of our leased properties), the lessor has not provided any documentary evidence from the property owner consenting to the sublease of the property and leased us the property for inconsistent use with that designated in the corresponding land and building use permit. We mainly used this property for our offices and online marketing production bases.

- For one property with an aggregate GFA of approximately 475.6 square meters (accounting for approximately 6.5% of the aggregate GFA of our leased properties), the lessor leased us the property for inconsistent use with that designated in the corresponding land and building use permit. We mainly used this property for office purposes.

- For one property with an aggregate GFA of approximately 417.1 square meters (accounting for approximately 5.7% of the aggregate GFA of our leased properties), the lessor has pledged such property to the bank before leasing to us. We mainly used this property for office and daily operation purposes.

As advised by our PRC Legal Advisors, the lessors may not be able to lease above properties to us due to the defective titles on such properties. However, our PRC Legal Advisors are also of the view that the above defective titles will not materially and adversely impact our business operation. Their views are based on the following: (a) we are not subject to any penalty or fines for the use of properties inconsistent with their designated uses since they were caused by our landlords; (b) we are entitled to request the lessors to indemnify us if we are not able to use such leased properties due to their defective titles or fault liabilities; and (c) all these properties with defective titles are used as our offices and online marketing solutions production bases and we believe we can easily find alternative properties with immaterial relocation costs, if we are not able to use such properties or have to relocate our businesses in case of any dispute on the lease agreements.

In addition, pursuant to applicable PRC laws and regulations, property lease agreements must be registered with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC. As of the Latest Practicable Date, we had not obtained the lease registrations for the eight of nine leased properties. We will take all practicable and reasonable steps to ensure that the unregistered leases are registered, which requires the cooperation of our lessors. Our PRC Legal Advisors have advised us that the lack of registration of the lease agreements will not affect the validity of the lease agreements under PRC laws, and have also advised us that a maximum penalty of RMB10,000 may be imposed for non-registration of each lease.

As of April 30, 2021, we had no single property interest with a carrying amount of 15% or more of our consolidated total assets. According to Chapter 5 of the Hong Kong Listing Rules and section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document 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.

HEALTH, SAFETY AND ENVIRONMENTAL MATTERS

Due to the nature of our business, we do not generate any hazard or pollutant during the course of our operations. During the Track Record Period, we did not incur any expenses in relation to the compliance with the applicable environmental laws and regulations.

We are committed to providing a safe and healthy working environment for our employees. During the Track Record Period, we did not experience any material accidents in the course of our operations, nor were we subject to any material claims for personal or property damages or for health or safety related compensation.

LICENSES AND PERMITS

As advised by our PRC Legal Advisors, we had obtained all material licenses, permits and approvals required for our business operations (i.e. business licenses of our PRC subsidiaries) in the PRC, and such business licenses were initially granted at the establishment date of our PRC subsidiaries without expiration date, and were valid and remained in effect as of the Latest Practicable Date.

We monitor the validity status of our licenses and permits, and make timely applications for the renewal of relevant licenses and permits. We had not experienced any material difficulty in obtaining or renewing the required licenses and permits for our business operations during the Track Record Period and up to the Latest Practicable Date. Our PRC Legal Advisors are of the view that, there is no material legal impediment in maintaining these licenses and permits in effective as long as we are in compliance with applicable laws, regulations and rules.

As advised by our PRC Legal Advisors and the Sponsor's PRC legal advisors, our business falls within the advertising business, which is not subject to foreign investment restriction or prohibition as stipulated under the Special Management Measures for Foreign Investment Access (Negative List) (2020 Edition) (《外商投資准入特別管理措施(負面清單)》(2020年版)), and thus we don't need to build contractual arrangements for our [**REDACTED**].

Also, as advised by our PRC Legal Advisors and the Sponsor's PRC legal advisors, the Administrative Provisions on the Production and Operation of Radio and Television Programs (《廣播電視節目製作經營管理規定》) stipulates that these Provisions are applicable to the acts of establishing radio and TV program production and operation institutions or engaging in the production of radio and TV programs such as special topics, columns, variety shows, cartoons, radio dramas and TV dramas, as well as the transactions of program copyright and agency transactions. The establishment and business activities of institutions specializing in the production of radio and TV advertising programs shall be governed by the Advertising Law (《廣告法》) and other relevant laws and regulations. The Notice on the Use of the New Domestic TV Drama Distribution License (《關於啟用新〈國產電視劇發行許可證〉的通知》) stipulates that the types of TV dramas including regular drama (45±5 minutes per episode), short drama (25±3 minutes per episode) and super short drama (about 10 minutes per episode). Whilst there is no definition of variety shows and stipulated length for variety shows in the PRC laws, with reference to the required length of TV dramas and cartoons, it is expected that the length of variety shows shall not be shorter than 10 minutes. The length of online short video advertisements produced by the Group generally is about 1 minute, which is far below the required shortest length of TV dramas and cartoons, that is 10 minutes per episode. In addition, the contents of online short video advertisements produced by the Group are marketing goods or services of its advertiser customers, which do not involve the contents of TV dramas, cartoons or variety shows (such as chatting and gaming programs). According to the Interim Measures for the Administration of Internet Advertisements (《互聯網廣告管理暫行辦法》), advertising activities through internet shall be governed by the Advertising Law (《廣告法》) and the Interim Measures for the Administration of Internet Advertisements. Internet advertising means the commercial advertising for directly or indirectly marketing goods or services in the form of text, image, audio, video or others forms through website, webpage, internet application or other internet media. The online short video advertisements produced by the Group that

marketing goods or services of its advertiser customers in the form of short video through online media platforms conform with the definition of internet advertising and shall be internet advertising. As further advised by our PRC Legal Advisors and the Sponsor's PRC legal advisors, we produce online short video advertisements, which are not of the nature of special topics, columns, variety shows, cartoons, radio dramas, TV dramas or other radio and TV programs regulated under the Administrative Provisions on the Production and Operation of Radio and Television Programs, such that we are not required to obtain the Radio and Television Programs Production and Operation License. Our PRC Legal Advisors and the Sponsor's PRC legal advisors conducted an interview with the director of the Administrative Approval Office of Beijing Municipal Radio and Television Bureau (北京市廣播電視局行政審批處), who confirmed that we are not required to obtain the Radio and Television Programs Production and Operation License. Our PRC Legal Advisors and the Sponsor's PRC legal advisors are of the view that (i) the Administrative Approval Office of Beijing Municipal Radio and Television Bureau (北京市廣播電視局行政審批處) is the competent regulatory authority for regulating the radio and TV programs production business in Beijing; and (ii) the interview were made with the competent official who has the appropriate authorities.

As advised by our PRC Legal Advisors and the Sponsor's PRC legal advisors, the Provisional Regulations on the Administration of Internet Culture (《互聯網文化管理暫行規定》) stipulates that internet culture products mentioned in these Provisions refer to the cultural products produced, spread and distributed through internet which mainly include, without limitation: (1) internet culture products specially produced for internet, such as online music, online game, online show (program), online performance, online arts, and online cartoon; (2) internet culture products made from music, games, shows (programs), performance, arts, cartoon and other cultural products by certain technical means and copied to the internet for spreading. According to the Provisional Regulations on the Administration of Internet Culture, entities that engage in the commercial internet culture activities shall apply for the Online Culture Operating License, commercial internet culture activities mean the activities of providing internet culture products and services to obtain benefits by charging fees from users accessing the internet or by electronic commerce, advertisement, financial supports, etc. for the purpose of making profits. We produce online short video advertisements, which are not of the nature of online music, online game, online show (program), online performance, online arts, online cartoon or other internet culture products regulated under the Provisional Regulations on the Administration of Internet Culture, such that we are not required to obtain the Online Culture Operating License. Our PRC Legal Advisors and the Sponsor's PRC legal advisors conducted an interview with the director of the Administrative Approval Office of Beijing Municipal Bureau of Culture and Tourism (北京市文化和旅遊局行政審批處), who confirmed that we are not required to obtain the Online Culture Operating License. Our PRC Legal Advisors and the Sponsor's PRC legal advisors are of the view that (i) the Administrative Approval Office of Beijing Municipal Bureau of Culture and Tourism (北京市文化和旅遊局行政審批處) is the competent regulatory authority for regulating internet Culture business in Beijing; and (ii) the interview were made with the competent official who has the appropriate authorities.

Meanwhile, as advised by our PRC Legal Advisors and the Sponsor's PRC legal advisors, according to the Administrative Measures for Internet Information Services (《互聯網信息服務管理辦法》), commercial internet information services refer to the service activities such as providing information or making web pages to internet users for a fee. According to the Telecommunications Regulations of the PRC (《中華人民共和國電信條例》),

the value-added telecommunications services refer to telecommunications and information services provided through public network infrastructures and subject to licenses prior to commencement of operations, and the Classification Catalog of Telecommunication Services (2015 Edition) (《電信業務分類目錄》(2015年版)) further divides the value-added telecommunication service into several detailed categories. Among these categories, online data processing and transaction processing business (在線數據處理與交易處理業務) numbered B21 refer to the services of online data processing and transaction/affair processing provided for users through public communication networks or the internet, by utilizing various kinds of data and affair/transaction processing application platforms that are connected to public communication networks or the internet, and the information service business (信息服務業務) numbered B25 refers to the information services provided for users through the public communication network or the internet by relying on information collection, development, processing and information platform construction. As further advised by our PRC Legal Advisors and the Sponsor's PRC legal advisors, we do not have our own commercial website. All the advertisements produced by us are placed through and on other online media platforms. As advised by our PRC Legal Advisors and the Sponsor's PRC legal advisors, our business does not involve providing users with online data processing and transaction processing business or information service business under the Classification Catalog of Telecommunication Services (2015 Edition) through public communication networks or the internet, or carrying out any other type of value-added telecommunications business under the Classification Catalog of Telecommunication Services (2015 Edition), or providing services such as providing information or making web pages to internet users for a fee through the internet, such that we are not required to obtain the ICP License. Our PRC Legal Advisors and the Sponsor's PRC legal advisors conducted an interview with the director of the Information and Communication Development Division of MIIT (工信部信息通信發展司), who confirmed that we are not required to obtain the ICP License. Our PRC Legal Advisors and the Sponsor's PRC legal advisors are of the view that (i) the Information and Communication Development Division of MIIT (工信部信息通信發展司) is the competent regulatory authority for regulating value-added communications business in China; and (ii) the interview were made with the competent official who has the appropriate authorities.

In the case that we will carry out any business that is subject to license requirements in the future, we will comply with the requirements of relevant laws and regulations as appropriate. To ensure that we will comply with the relevant laws and regulations should we carry out any business that is subject to foreign ownership restriction in the future, we have a legal team in the Group to enforce our strict internal procedures, which include monitoring laws and regulations updated from time to time and conducting relevant researches and studies; monitoring notices, instructions and requirements issued by the regulatory authorities and communicating with relevant authorities to obtain further instructions when necessary; seeking external professional opinions on any new laws and regulations; from time to time reviewing our business contracts and discuss cases with our operation team for services provided, to comply with the relevant laws and regulations. However, our Directors confirm that we currently do not have any plan to provide any forms of radio and television programs or carry out any business that is subject to foreign ownership restriction in the near future.

LEGAL PROCEEDINGS AND COMPLIANCE

We are involved in legal or other disputes in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, save as disclosed as

below, we had not been involved in any actual or pending litigation, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation. Additionally, as of the Latest Practicable Date, our Directors are not involved in any actual or threatened material claims or litigation.

Failure in full compliance with PRC Social Insurance Law and the Housing Provident Fund Regulations

During the Track Record Period, our Group did not pay the social insurance fund and housing provident fund contributions in full for certain employees who are stationed in and outside of Beijing, and paid the contributions for certain employees who are stationed outside of Beijing through a third party payment agent, which did not fully comply with provisions of the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) (the "**Social Insurance Law**") and the Administrative Regulations on the Housing Provident Fund (《住房公積金管理條例》) (the "**Housing Provident Fund Regulations**"). Since the relevant employees are employed by UJU Beijing, their social insurance fund and housing provident fund shall be paid by UJU Beijing and under the supervision of the relevant regulatory authorities in Beijing pursuant to the applicable laws and regulations. We estimate that the shortfall in social insurance fund and housing provident fund contributions amounted to approximately RMB1.6 million, RMB3.2 million and RMB1.1 million for the three years ended December 31, 2018, 2019 and 2020, respectively.

Underlying causes

The non-compliance in relation to the short fall in payment was due to inadvertent mistakes and we have been actively rectifying such defects since January 2021. Additionally, the Group engaged a third party payment agent to make contributions of social insurance and housing provident fund contributions on its behalf because we were not able to open local deposit accounts for the purpose of social insurance fund and housing provident fund for certain of its employees who are stationed outside of Beijing.

Relevant laws and regulations

According to the Social Insurance Law, enterprises are obliged to apply for social insurance registration with local social insurance agencies and pay premiums on behalf of their employees by reference to their actual income. If an enterprise fails to pay the required premiums on time or in full, the authorities in charge will demand the enterprise to settle the overdue amount within a stipulated time period and impose a 0.05% overdue fine per day from the date on which the payment is overdue. If the overdue amount is still not settled within the stipulated time period, an additional fine in an amount of one to three times of the overdue amount will be imposed.

According to the Housing Provident Fund Regulations, enterprises must register with the competent managing center for housing funds and open an account in a bank for the deposit of employees' housing funds.

Employers are required to contribute, on behalf of their employees, to housing funds on time and in full. Any employer who fails to fully contribute may be ordered to make up the difference within a stipulated time limit, and the provident fund administration center may apply to the People's Court for mandatory enforcement against those who still fail to comply after the expiry of such period.

Potential impact on our Group

Beijing Chaoyang Human Resources and Social Insurance Bureau (北京市朝陽區人力資源和社會保障局) (the "**Chaoyang Social Insurance Bureau**") and Beijing Shijingshan Social Insurance Management Center (北京市石景山區社會保險事業管理中心) (the "**Shijingshan Social Insurance Center**"), being the competent authorities as confirmed by the PRC Legal Advisor, have issued the relevant confirmations confirming that during the Track Record Period we had not been found to violate any laws, measures and regulations relating to labor protection, and there had been no administrative penalties levied on us as a result of non-compliance, respectively. Beijing Housing Provident Fund Management Center, (北京住房公積金管理中心) (the "**Beijing Housing Provident Fund Authority**"), being the competent authority as confirmed by the PRC Legal Advisor, has issued the relevant confirmations confirming that during the Track Record Period, we had not been penalized for violating laws and regulations relating to failures to comply with payment of housing provident fund contributions, and had not been found to violate any laws and regulations relating to housing provident fund contributions.

As of the Latest Practicable Date, we had not received any notice or demand from any competent authorities ordering us to make retrospective payments or any differences of the payments for the social insurance fund and housing provident fund contributions. We were also not aware of any employee's complaints or demands for payment of social insurance or housing provident fund considerations. Meanwhile, we have been regularly communicating with the competent government authorities. We have been rectifying the payment of fund contributions through the third party payment agent since February 2021. As of the Latest Practicable Date, the social insurance and housing provident fund contributions of all of our employees have been fully paid, and we have paid all social insurance and housing provident fund contributions by ourselves. Additionally, our Group has made a provision of approximately RMB1.6 million, RMB3.2 million and RMB1.1 million to cover the shortfall in social insurance fund and housing provident fund contributions for the years ended December 31, 2018, 2019 and 2020, respectively.

Based on the above, our Directors, as advised by our PRC Legal Advisors, are of the view that the non-compliance incidents of the Group in relation to social insurance fund and housing provident fund contributions will not have a material adverse impact on our Group's operations and financial condition. Our PRC Legal Advisors are also of the view that the likelihood that the Company is prosecuted by the relevant PRC government authorities is remote. This is primarily because: (i) the social insurance and housing provident fund contributions of all of our employees have been fully paid as of the Latest Practicable Date, and we have paid all social insurance and housing provident fund contributions by ourselves as of the Latest Practicable Date; (ii) we have not been subject to any regulatory actions or penalties in connection with the social insurance and housing provident fund contributions; and (iii) the competent authorities have issued the relevant confirmations confirming that during the Track Record Period and we have not been penalized for violating laws and regulations relating to failures to comply with payment of housing provident fund contributions, or found to violate any laws and regulations relating to housing provident fund contributions.

Internal control measures adopted

We have adopted or will adopt the following on-going measures:

- we have provided and will continue to provide regular trainings to our employees in relation to social insurance fund and housing provident fund contributions compliance requirements and the relevant laws and regulations;

- we have adopted a set of internal policies in relation to social insurance fund and housing provident fund contribution;

- the calculation of the social insurance fund and housing provident fund would be prepared by our human resources department and be reviewed by our management on a monthly basis in order to mitigate the risk of material non-compliances with relevant laws and regulations;

- after the [**REDACTED**], we will disclose in our annual reports on the outstanding amount of the social insurance fund and housing provident fund and state whether a provision has been made; and

- the Group terminates the third party payment arrangement to make contributions of social insurance fund and housing provident fund contributions after the Group establishes local branch offices or subsidiaries at where the employees are located.

Additionally, we are subject to a wide range of PRC laws and regulations in the ordinary course of business. For more details, see "Regulatory Overview." As advised by our PRC Legal Advisors, save as disclosed above, we have complied with the laws and regulations of the PRC applicable to us in material aspects during the Track Record Period and up to the Latest Practicable Date.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations. In particular, we have adopted and implemented risk management policies in various aspects of our business operations such as financial reporting, information system, regulatory compliance and human resources.

Financial Reporting Risk Management

We have adopted comprehensive accounting policies in connection with our financial reporting risk management, such as financial management, budget management and financial statement preparation. We also have procedures in place to carry out such accounting policies, and our finance department reviews our management accounts in accordance with such procedures. In addition, we provide ongoing training to our finance staff to ensure that these policies are well-observed and effectively implemented.

As of the Latest Practicable Date, our finance department consisted of 44 employees. It is headed by our Ms. Luo Xiaomei, our Executive Director and chief financial officer, who has over 18 years of experience in financial reporting.

Treasury Risk Management

We also adopted internal procedures in relation to treasury risk management in light of our material purchase and disposal of financial assets at FVTPL during the Track Record Period. Our financial assets under the purchase and disposal of financial assets at FVTPL primarily include investments in wealth management products, denominated in RMB, with expected rates of return ranging from 2.15% to 3.10% per annum. During the Track Record Period, we mainly purchased wealth management products with higher interest rates issued by reputable commercial banks and financial institutions to obtain higher interest income than those from ordinary savings with commercial banks.

To address such potential financial risks, we have adopted relevant treasury policy and internal control measures. In particular, we have set out the measures relating to, amongst others, the investment in wealth management products. For example, according to our internal policies, our finance staff shall apply for and obtain prior written consent from the Company's chief financial officer before purchasing any financial products.

Operational Risk Management

In order to effectively manage our compliance and legal risk exposures, we have adopted strict internal procedures to ensure the compliance of our business operations with the relevant rules and regulations. In accordance with these procedures, our in-house legal center performs the basic function of reviewing and updating the form of the contracts we enter into with our customers and suppliers. Our legal center examines the

contractual terms and reviews all relevant documents for our business operations, including licenses and permits obtained by the counterparties to perform their obligations under the business contracts and all necessary underlying due diligence materials, before we enter into any contract or business arrangement.

We continuously improve our internal policies according to changes in laws, regulations and industry standards, and update internal templates for legal documents. In addition, we continually review our risk management policies and the implementation of our measures to ensure our policies and implementation are effective and sufficient.

Human Resource Risk Management

We have established internal control policies covering various aspects of human resource management such as recruitment, training, work ethics and legal compliance. We adopt high standards in recruitment with strict procedures to ensure the quality of new hires. We provide specialized trainings tailored to the needs of our employees in different departments. Our internal management policies contain guidelines regarding best commercial practice, work ethics and prevention of fraud, negligence and corruption. We have also made available an anonymous reporting channel through which potential violations of our internal policies or illegal acts at all levels of our Group can be timely reported to management and appropriate measures can be taken to minimize damage.

Credit Risk Management

Our credit risk is primarily attributable to accounts receivables, financial assets included in prepayments, other receivables and other assets, and cash deposits at banks. We manage credit risks primarily through the following measures:

- we have established the risk management committee, consisting of chief executive officer, financial controller, vice president at sales and marketingdepartment, and risk management director, primarily responsible for designing risk management structure and strategies, reviewing and monitoring the implementation of risk management policies, identifying risks, approving trading limit and credit limit, and updating our risk management policies in response to changes;

- we have implemented "know-your-customer" procedures and credit check to ascertain the background of our potential customers;

- we perform credit assessment on potential customers, and require them to prepay for our services before reaching certain threshold to minimize our credit risk exposure;

- we closely monitor the level of our accounts receivables and other financial assets and take appropriate action to recover or minimize our loss where we foresee that our customer may default in its obligation;

- we have credit policy with respect to the transaction limit and credit period granted to our customers, which are subject to our on-going review and revision; and

- we use a provision matrix to calculate the expected credit losses in respect of our accounts receivables and other financial assets to assess our exposure to credit risks.

Audit Committee Experience and Qualification and Board Oversight

We have established an audit committee to monitor the implementation of our risk management policies on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. The audit committee consists of three Directors, namely Mr. Zhang Peiao, Ms. Lin Ting and Mr. Wang Wenping and Mr. Zhang Peiao is the chairperson. For the professional qualifications and experiences of the members of our audit committee, see "Directors and Senior Management — Independent non-executive Directors."

Our finance department is responsible for reviewing the effectiveness of internal controls and reporting to the audit committee on any issues identified. Members of finance department hold regular meetings to discuss any internal control issues we face and the corresponding measures to implement toward resolving such issues. The finance department reports to the audit committee to ensure that any major issues identified thus are channeled to the committee on a timely basis. The audit committee then discusses the issues and reports to the Board if necessary.

Ongoing Measures to Monitor the Implementation of Risk Management Policies

Our Audit Committee, internal control audit center and senior management monitor the implementation of our risk management policies across our Company on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our operations.

OVERVIEW

Immediately after completion of the [**REDACTED**] and the [**REDACTED**] (excluding any Share which may be issued pursuant to the exercise of the [**REDACTED**] and any option which may be granted under the Share Option Scheme), Mr. Ma through Supreme Development, Vast Business and Aura will control approximately [**REDACTED**] of the total issued share capital of the Company. Supreme Development is wholly-owned by Mr. Ma and Aura is owned as to 95% by Supreme Development as of the Latest Practicable Date. Further, through his holding of all the management shares of Vast Business, Mr. Ma has the overall management power and controls the exercise of 100% of the voting rights at his sole and absolute discretion at the general meeting of Vast Business. As such, Supreme Development, Vast Business, Aura and Mr. Ma will continue to be our Controlling Shareholders after the [**REDACTED**].

INDEPENDENCE OF MANAGEMENT, FINANCIAL AND OPERATION

Having considered the following factors, our Directors are satisfied that our Company will be able to be operationally and financially independent from our Controlling Shareholders and their respective close associates (other than our Company):

Non-competition

None of our Controlling Shareholders or their respective close associates has any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of our Company. In addition, each of our Controlling Shareholders has executed the Deed of Non-competition in favor of our Company (for ourselves and as trustee for each of our subsidiaries from time to time). For further details, see the paragraph headed "Deed of Non-competition" in this section below.

Management independence

Our business is managed and conducted by our Board and senior management. Our Board comprises three executive Directors and three independent non-executive Directors. See the section headed "Directors and Senior Management" for more details.

Whilst Mr. Ma, a Controlling Shareholder, is also one of our executive Directors, we believe that our Directors and members of the senior management is able to perform their roles in our Company independently and that our Group is capable of managing our business independently from the Controlling Shareholders for the following reasons:

(a) each Director is aware of his/her fiduciary duties as a Director which requires, among other things, that he/she acts for the benefit and in the best interests of our Company and that he/she does not allow any conflict between his/her duties as a Director and his/her personal interest;

(b) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective close associates, the interested Director(s) shall abstain from voting at the relevant board meetings of our Company in respect of such transactions;

(c) our Board comprises six Directors and three of them are independent non-executive Directors who represent not less than one-third of the members of the Board. This provides a balance between the number of interested and independent non-executive Directors with a view to promoting the interests of our Company and our Shareholders as a whole. This is also in line with the requirement as set out in the Listing Rules;

(d) our independent non-executive Directors will bring independent judgment to the decision-making process of our Board; and

(e) our senior management team possesses in-depth experience and understanding of the industry in which our Group is engaged.

Based on the above, our Directors believe that our Company is capable of maintaining management independence from the Controlling Shareholders and their respective close associates.

Financial independence

Our financial auditing system and internal control system is independent from our Controlling Shareholders and any of their respective close associates and we employ our own team of financial accounting personnel. We have our own accounting and finance department, accounting systems, treasury function for cash receipts and payment and independent access to third party financing. We make independent financial decisions according to our own business needs.

As at April 30, 2021, the outstanding balances due to our Controlling Shareholders and/or their respective close associates (other than members of our Group) amounted to approximately RMB76.8 million, which shall be [settled prior to the [**REDACTED**]]. The personal guarantees given by our Controlling Shareholders and/or their respective close associates in respect of our bank borrowings will be released on or before the [**REDACTED**]. In view of our Group's financial resources and the estimated net proceeds from the [**REDACTED**], our Directors are satisfied that we have sufficient capital for our financial needs and are capable of conducting our business independently of our Controlling Shareholders (including their respective close associates) upon [**REDACTED**].

Based on the above, our Directors believe that our Company is capable of maintaining financial independence from our Controlling Shareholders and their respective close associates.

Operational independence

Our Group engages in our business independently, with the independent right to make operational decisions and implement such decisions. Our Group has an independent work force to carry out our operation, and has sufficient capital, facilities and technology to operate the business independently from the Controlling Shareholders and/or their respective close associates.

Having considered that (i) we have established our own organization structure comprising individual departments and business and administrative units, each with specific areas of responsibilities and (ii) our Group does not share our operational resources, such as marketing, sale and general administration resources with our Controlling Shareholders and/or their close associates, our Directors consider that our Group can operate independently from our Controlling Shareholders and their respective close associates from the operational perspective.

DEED OF NON-COMPETITION

To ensure that competition will not exist in the future, our Controlling Shareholders have entered into Deed of Non-competition with our Company to the effect that each of them will not, and will procure their subsidiaries (other than our Company) or his/its respective close associations not to, directly or indirectly participate in, or hold any interest or right or otherwise be involved in any business which may be in competition with undertakings our principal business.

Non-competition

Our Controlling Shareholders entered into the Deed of Non-competition in favor of our Company on October 8, 2021, under which our Controlling Shareholders agreed not to, and to procure its subsidiaries and his/its respective close associate(s) (as appropriate) (other than our Group) not to compete, either directly or indirectly, with our principal business and granted to our Group the option for new business opportunities, option for acquisitions and pre-emptive rights.

Each of our Controlling Shareholders has jointly and severally irrevocably undertaken in the Deed of Non-competition that, during the term of the Deed of Non-competition, it/he (as appropriate) will not, and will also procure its subsidiaries and his/its respective close associate(s) (as appropriate) (other than our Group) not to, alone or with any other entity, in any form, directly or indirectly, engage in, participate in, assist or support a third party to engage in or participate in any business that competes, or is likely to compete, directly or indirectly with our principal business. The foregoing restrictions are subject to the fact that our Company may waive certain new business opportunities pursuant to the terms and conditions under the Deed of Non-competition.

The foregoing restrictions do not apply to (i) the purchase by our Controlling Shareholders, their subsidiaries and/or close associate(s) (as appropriate) (other than our Group) for investment purpose of not more than 10% equity interest (whether direct or indirect) in other listed companies whose business competes or is likely to compete with our principal business; or (ii) the holding by our Controlling Shareholders, their subsidiaries and/or close associate(s) (as appropriate) (other than our Group) of not more than in aggregate 10% equity interest (whether direct or indirect) in other companies whose business competes or is likely to compete with our principal business, as a result of a debt restructuring of such companies (collectively referred to as "**Investment Companies**" for scenarios (i) and (ii)). For the avoidance of doubt, the exceptions above do not apply to such Investment Companies which our Controlling Shareholders, their subsidiaries or close associate(s) (as appropriate) (other than our Group) are able to control their respective board of directors notwithstanding the fact that not more than 10% in aggregate of the equity interest of such Investment Companies are being held by our Controlling Shareholders, their subsidiaries and/or close associate(s) (as appropriate) (other than our Group).

Options for new business opportunities

Each of our Controlling Shareholders has jointly and severally irrevocably undertaken in the Deed of Non-competition that, during the term of the Deed of Non-competition, if our Controlling Shareholders and/or their subsidiaries and/or their close associate(s) (as appropriate) (other than our Group) become aware of a business opportunity which competes, or may compete, directly or indirectly with our principal business, our Controlling Shareholders will notify our Company in writing immediately and provide to us all information which is reasonably necessary for our Company to consider whether or not to engage in such business opportunity ("**Offer Notice**"). Our Controlling Shareholders are also obliged to use their best efforts to procure that such opportunity is first offered to our Company on terms that are fair and reasonable and are no less favourable than the terms on which such business opportunity is offered to our Controlling Shareholders and/or their subsidiaries and/or their close associate(s) (as appropriate). Our Company is entitled to decide whether or not to take up such business opportunity within 30 business days from receiving the Offer Notice (subject to our request to extend the notice period of 30 business days), subject to compliance with the requirements under applicable laws and regulations, including but not limited to the Listing Rules.

Our Controlling Shareholders will use their best efforts to procure their respective close associate(s) and/or their subsidiaries (as appropriate) (other than our Group) to offer to our Company an option to acquire any new business opportunity which competes, or is likely to compete, directly or indirectly with our principal business according to the terms of the Deed of Non-competition.

If our Company decides not to take up the new business opportunity for any reason or do not respond to our Controlling Shareholders and/or their subsidiaries and/or their close associate(s) (as appropriate) within 30 business days from receiving the Offer Notice (subject to our request to extend the notice period of 30 business days), our Company should be deemed to have decided not to take up such new business opportunity, and our Controlling Shareholders and/or their subsidiaries and/or their close associates (as appropriate) may operate such new business opportunity on their own.

Option for acquisitions

In relation to any new business opportunity of our Controlling Shareholders referred to in the Deed of Non-competition, which has been offered to, but has not been taken up by, our Company and has been retained by our Controlling Shareholders or any of their subsidiaries or any of their close associate(s) (as appropriate) (other than our Group), which competes, or may lead to competition, directly or indirectly with our principal business, our Controlling Shareholders have undertaken to grant our Company (for himself/itself and for the benefit of each member of our Group) an option, which is exercisable at any time during the term of the Deed of Non-competition, subject to applicable laws and regulations, to purchase at one or more times any equity interest, assets or other interests which form part or all of the new business as described above, or to operate the new business as described above by way of, including but not limited to, management outsourcing, lease or subcontracting. However, if a third party has the pre-emptive right, in accordance with applicable laws and regulations and/or a prior legally binding document (including but not limited to articles of association and shareholders' agreement), our option for acquisitions shall be subject to such third party rights. In this case, our Controlling Shareholders will use their best efforts to procure the third party to waive its pre-emptive right.

Each of our Controlling Shareholders shall use his/its best efforts to procure its subsidiaries and/or his/its close associate(s) (as appropriate) (other than our Group) to comply with the option granted to our Company by our Controlling Shareholders above. The consideration shall be determined following negotiation between the parties under the fair and reasonable principle based on the valuation conducted by a third party professional valuer (selected by both our Controlling Shareholders and our Company) and the mechanism and procedure provided by applicable laws and regulations.

Pre-emptive right

Each of our Controlling Shareholders has jointly and severally irrevocably undertaken to our Company (for himself/itself and for the benefit of each of the members of our Group) that, during the term of the Deed of Non-competition, if it intends to transfer, sell, lease, license or otherwise permit to use, to a third party any new business opportunity of our Controlling Shareholders referred to in the Deed of Non-competition, which has been offered to, but has not been taken up by, our Company and has been retained by our Controlling Shareholders or any of their subsidiaries or any of their close associate(s) (as appropriate) (other than our Group), which competes, or may lead to competition, directly or indirectly with our principal business, our Controlling Shareholders or their subsidiaries or any of their close associate(s) (as appropriate) shall notify our Company by written notice ("**Selling Notice**") in advance. The Selling Notice shall attach the terms of the transfer, sale, lease or license and any information which may be reasonably required by our Company. We shall reply to our Controlling Shareholders and/or their subsidiaries and/or their close associate(s) (as appropriate) within 30 business days after receiving the Selling Notice. Our Controlling Shareholders and/or their subsidiaries and/or their close associate(s) (as appropriate) (other than our Group) has undertaken that until they receive the reply from our Company, they shall not notify any third party of the intention to transfer, sell, lease or license the business. If our Company decides not to exercise its pre-emptive right or if our Company does not reply within the agreed time period, or if our Company does not accept the terms as set out in

the Selling Notice and issues to our Controlling Shareholders a written notice within the agreed time period stating acceptable conditions which, however, are not acceptable to our Controlling Shareholders or their subsidiaries or any of their close associate(s) (as appropriate) following negotiation between the parties under the fair and reasonable principle, our Controlling Shareholders or their subsidiaries or any of their close associate(s) (as appropriate) are entitled to transfer the business to a third party on terms no more preferable than the terms stipulated in the Selling Notice.

Our Controlling Shareholders shall procure their subsidiaries and their close associate(s) (as appropriate) (other than our Group) to comply with the above pre-emptive right.

Our Controlling Shareholders' further undertakings

Each of our Controlling Shareholders has further jointly and severally irrevocably undertaken to our Company (for himself/itself and for the benefit of each of the members of our Group) that:

(i) it/he will from time to time provide all information necessary for our independent non-executive Directors to review our Controlling Shareholders', their subsidiaries' and their close associate(s)' compliance with and enforcement of the Deed of Non-competition;

(ii) it/he allows our Directors (including our independent non-executive Directors), their respective representatives and the auditors to have sufficient access to the records of our Controlling Shareholders, their subsidiaries and their close associates to ensure their compliance with the terms and conditions under the Deed of Non-competition;

(iii) it/he consents to the disclosure of the decision made by our independent non-executive Directors in relation to the compliance with and enforcement of the Deed of Non-competition in our annual report, or by way of announcement; and

(iv) it/he will make a declaration to our Company and our independent non-executive Directors annually regarding its compliance with the Deed of Non-competition for the disclosure in our annual report.

Terms

The Deed of Non-competition will become effective upon [**REDACTED**] and remain in full force and be terminated upon the earlier of:

(i) the date on which our Company becomes wholly-owned by any of the Controlling Shareholders and/or his/its close associates;

(ii) the date on which the aggregate shareholding interests (whether direct or indirect) of the Controlling Shareholders and/or its/his close associates in Shares in issue falls below 30% of the number of Shares in issue and the relevant Controlling Shareholder shall cease to be an executive director of our Company; or

(iii) the date on which our Shares cease to be [**REDACTED**] on the Stock Exchange (except for temporary suspension of trading of the Shares).

Each of our Controlling Shareholders has jointly and severally undertaken to our Company that he/it would, during the term of the relevant Deed of Non-competition indemnify and keep indemnified our Group against any damage, loss or liability suffered by our Company or any other member of the Group arising out of or in connection with any breach of his/her/its undertakings and/or obligations under the Deed of Non-competition, including any costs and expenses incurred as a result of such breach provided that the indemnity contained in the Deed of Non-competition shall be without prejudice to any other rights and remedies our Company is entitled to in relation to any such breach, including specific performance, and all such other things and remedies are hereby expressly reserved by our Company.

Our Controlling Shareholders have entered into the Deed of Indemnity in favor of our Company (for ourselves and as trustee for each of our subsidiaries from time to time) to provide, inter alia, indemnities on a joint and several basis in respect of, among other matters, any costs, expenses, claims, liabilities, penalties, losses or damages incurred or suffered by any member of our Group arising from or in connection with any litigation, arbitration, claims or administrative proceedings, whether of administrative, contractual, tortuous or otherwise nature instituted by or against any member of our Group in relation to events occurred on or before the [**REDACTED**], including but not limited to the legal proceedings and claims as disclosed in the section headed "Business — Legal Proceedings and Compliance" in this document. For further details of the Deed of Indemnity, see the section headed "Statutory and General Information — Other Information — 14. Estate Duty, Tax and Other Indemnities" in Appendix IV to this document.

Decision-making as to whether to take up the options or pre-emptive right

Our independent non-executive Directors will be responsible for reviewing, considering and deciding whether or not to exercise the option for new business opportunity or the option for acquisitions or our pre-emptive right. In assessing whether or not to exercise such option(s) or pre-emptive right, our independent non-executive Directors will consider a range of factors including any feasibility study, counterparty risk, estimated profitability of business and the legal, regulatory and contractual landscape and form their views based on the best interest of our Shareholders and our Company as a whole. Where necessary, our independent non- executive Directors will consider engaging an independent valuer to conduct evaluation. Our independent non-executive Directors are also entitled to engage a financial adviser, at the cost of our Company in this connection.

COMPETITION ISSUE UNDER RULE 8.10 OF THE LISTING RULES

Our Controlling Shareholders and our Directors confirm that as of the Latest Practicable Date, none of them nor their respective close associate(s) have any interest in any business, apart from the business operated by our Group, that competes or is likely to compete, directly or indirectly, with the business of our Group that would require disclosure pursuant to Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE MEASURES

The following corporate governance measures are expected to be adopted by our Company.

(a) our interested Directors will 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/she or any of his/her close associates is materially interested;

(b) our independent non-executive Directors will review, on an annual basis, compliance and enforcement of the Deed of Non-competition by our Controlling Shareholders. Our Controlling Shareholders have undertaken that they will and will procure their subsidiaries and their close associates to provide all information reasonably required by our independent non-executive Directors to assist them in the assessment. Our Company will disclose the review in our annual report or by way of announcement to the public. Our Controlling Shareholders have also undertaken that they will make an annual declaration on the compliance with the Deed of Non-competition and other connected transaction agreements in our annual report;

(c) our independent non-executive Directors will also review, on an annual basis, all decisions made in relation to any new business opportunities offered during the year. Our Company will disclose such decisions and basis for them in our annual report or by way of announcement to the public;

(d) our Company has appointed CMBC International Capital Limited as our compliance advisor, who shall provide it with professional advice and guidance, in respect of compliance with the Listing Rules and applicable laws; and

(e) any transaction (if any) between (or proposed to be made between) our Company and connected persons will be required to comply with Chapter 14A of the Listing Rules, including, where applicable, the announcement, reporting, annual review and independent shareholders' approval requirements and with those conditions imposed by the Stock Exchange for the granting of waiver from strict compliance with the relevant requirements under the Listing Rules.

AUTHORIZED AND ISSUED SHARE CAPITAL

Assuming the [**REDACTED**] and options granted under the Share Option Scheme are not exercised, the authorized and issued share capital of our Company immediately following the completion of the [**REDACTED**] and the [**REDACTED**] is set out as follows:

Authorized Share Capital:

		(US$)
[10,000,000,000]	Shares of US$[0.01] each	[100,000,000]

Shares of US$0.01 each in issue and to be issued, fully paid or credited as fully paid:

		(US$)
[2,000,000]	Shares in issue at the date of this document	[20,000]
[REDACTED]	Shares to be issued pursuant to the **[REDACTED]**	**[REDACTED]**
[REDACTED]	Shares to be issued pursuant to the **[REDACTED]** (excluding any Shares which may be issued under the **[REDACTED]** and any Shares which may be issued pursuant to exercise of the options which have been or may be granted under the Share Option Scheme)	**[REDACTED]**
Total		
[REDACTED]	Shares	**[REDACTED]**

ASSUMPTIONS

The above table assumes that the [**REDACTED**] becomes unconditional and the issue of Shares pursuant to the [**REDACTED**] and the [**REDACTED**] is made.

The above table does not take into account any Shares which may be allotted and issued upon the exercise of the [**REDACTED**] or any options which have been or may be granted under the Share Option Scheme or of any Shares which may be allotted and issued or repurchased by our Company pursuant to the Issuing Mandate given to our Directors to allot and issue or repurchase Shares pursuant to the Repurchase Mandate as described below.

RANKING

The [**REDACTED**] and the Shares that may be issued pursuant to exercise of the [**REDACTED**] will be ordinary shares and will rank pari passu in all respects with all other existing Shares in issue as mentioned in this document, and in particular, will be entitled to all dividends and other distributions thereafter declared, paid or made on the Shares after the date of this document save for entitlements under the [**REDACTED**].

PUBLIC FLOAT REQUIREMENTS

Rule 8.08(1)(a) and (b) of the Listing Rules requires there to be an open market in the securities for which listing is sought and for a sufficient public float of an issuer's listed securities to be maintained. This normally means that (i) at least 25% of the issuer's total number of issued shares must at all times be held by the public; and (ii) where an issuer has one class of securities or more apart from the class of securities for which listing is sought, the total securities of the issuer held by the public (on all regulated market(s) including the Stock Exchange) at the time of listing must be at least 25% of the issuer's total number of issued shares. However, the class of securities for which listing is sought must not be less than 15% of the issuer's total number of issued shares and must have an expected market capitalization at the time of listing of not less than HK$50 million.

Based on the information in the table above, our Company will meet the public float requirement under the Listing Rules after the completion of the [**REDACTED**] and the [**REDACTED**] (whether or not the [**REDACTED**] is exercised in full). We will make appropriate disclosure of our public float and confirm the sufficiency of our public float in successive annual reports after [**REDACTED**].

SHARE OPTION SCHEME

Our Company has conditionally adopted the Share Option Scheme on October 8, 2021. Under the Share Option Scheme, the eligible participants of the scheme, including Directors, employees of and advisers and consultants to our Company or our subsidiaries may be granted options which entitle them to subscribe for Shares, when aggregated with options granted under any other scheme, representing initially not more than 10% of the Shares in issue on the [**REDACTED**]. For further details of the rules of the Share Option Scheme, please see "Other Information — 13. Share Option Scheme" in Appendix IV to this document.

GENERAL MANDATE TO ISSUE SHARES

Subject to the [**REDACTED**] becoming unconditional, our Directors have been granted a general unconditional mandate to allot, issue and deal with Shares with an aggregate number of such Shares not exceeding the aggregate of (a) 20% of the number of issued Shares as enlarged by the [**REDACTED**] and the [**REDACTED**] (but excluding any Shares which may be issued pursuant to the [**REDACTED**]); and (b) the number of such Shares which may be repurchased by our Company under the Repurchase Mandate (the "**Issuing Mandate**").

Our Directors may, in addition to the Shares which they are authorized to issue under the Issuing Mandate, allot, issue and deal in the Shares pursuant to a rights issue,

an issue of Shares pursuant to the exercise of subscription rights attaching to any warrants or convertible securities of our Company, scrip dividends or similar arrangements. The aggregate number of Shares which our Directors are authorized to allot and issue under the Issuing Mandate will not be reduced by the allotment and issue of such Shares.

The Issuing Mandate will expire:

(i) at the conclusion of our Company's next annual general meeting; or

(ii) upon the expiry of the period within which our Company is required by any applicable law or the Articles of Association or any applicable laws of the Cayman Islands to hold its next annual general meeting; or

(iii) when varied, revoked or renewed by an ordinary resolution of our Shareholders in general meeting;

whichever occurs first.

For further details of this general mandate, please see "Further Information about Our Company — 3. Resolutions in Writing of Our Shareholders Passed on October 8, 2021" in Appendix IV to this document.

REPURCHASE MANDATE

Subject to the [**REDACTED**] becoming unconditional, our Directors have been granted a general unconditional mandate to exercise all of the powers of our Company to repurchase Shares not exceeding 10% of the aggregate number of issued Shares, as enlarged by the [**REDACTED**] and the [**REDACTED**] (but excluding any Shares which may be issued pursuant to the exercise of the [**REDACTED**]) (the "**Repurchase Mandate**").

The Repurchase Mandate relates only to repurchases made on the Stock Exchange or on any other stock exchange on which our Shares are [**REDACTED**] (and which is recognized by the SFC and the Stock Exchange for this purpose), and which are made in accordance with all applicable laws and the requirements of the Listing Rules. Further information required by the Stock Exchange to be included in this document regarding the repurchase of Shares is set out in "Further Information About Our Company — 6. Securities Repurchase Mandate" in Appendix IV to this document.

The Repurchase Mandate will expire:

(i) at the conclusion of our Company's next annual general meeting; or

(ii) upon the expiry of the period within which our Company is required by any applicable law or the Articles of Association or any applicable laws of the Cayman Islands to hold its next annual general meeting; or

(iii) when varied, revoked or renewed by an ordinary resolution of our Shareholders in general meeting;

whichever occurs first.

For further information about the Repurchase Mandate, please see "Further Information About Our Company — 3. Resolutions In Writing Of Our Shareholders passed on October 8, 2021" in Appendix IV to this document.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

Our Company has only one class of shares, namely ordinary shares, each of which carries the same rights as the other shares.

As a matter of the Cayman Islands Companies Act, an exempted company is not required by law to hold any general meeting or class meeting. The holding of general meeting or class meeting is prescribed for under the articles of association of a company. Accordingly, our Company will hold general meetings as prescribed for under the Articles of Association, a summary of which is set out in "Summary Of The Constitution Of The Company and Cayman Islands Company Law" in Appendix III to this document.

SUBSTANTIAL SHAREHOLDERS

So far as is known to our Directors and the chief executive of our Company, immediately following completion of the **[REDACTED]** and the **[REDACTED]** and taking no account of any Shares which may be allotted and issued pursuant to the exercise of the **[REDACTED]** and the options which have been or may be granted under the Share Option Scheme, the following persons will have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who are, directly or indirectly, interested in 10% or more of the number of any class of issued share capital carrying rights to vote in all circumstances at general meetings of our Company or any other members of our Group.

			As of the Latest Practicable Date		Immediately following completion of the [REDACTED] and the [REDACTED] (without taking account of Shares which may be allotted and issued upon the exercise of the [REDACTED] and the options which have been or may be granted under the Share Option Scheme)	
Entity	Company concerned	Nature of interests	Class and number of securities held[1]	Percentage of interests in the company concerned	Class and number of securities held[1]	Percentage of interests in the company concerned
Supreme Development	Our Company	Beneficial owner	1,015,200 ordinary Shares (L)	50.8%	[REDACTED] ordinary Shares (L)*(Note 3)*	[REDACTED]%
		Interest of controlled corporation *(Note 2)*	244,800 ordinary Shares (L)	12.2%	[REDACTED] ordinary Shares (L)	[REDACTED]%
Mr. Ma	Our Company	Interest of controlled corporation*(Notes 2, 4, 5)*	1,800,000 ordinary Shares (L)	90.0%	[REDACTED] ordinary Shares (L)	[REDACTED]%
Ms. Yu Juan (喻娟)*(Note 6)*	Our Company	Interest of spouse	1,800,000 ordinary Shares (L)	90.0%	[REDACTED] ordinary Shares (L)	[REDACTED]%
Vast Business	Our Company	Beneficial owner	540,000 ordinary Shares (L)	27.0%	[REDACTED] ordinary Shares (L)	[REDACTED]%
Aura	Our Company	Beneficial owner	244,800 ordinary Shares (L)	12.2%	[REDACTED] ordinary Shares (L)	[REDACTED]%

Notes:

(1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in our Shares.

(2) Aura is owned as to 95% by Supreme Development and as to 5% by Mr. Xiong. As such, Supreme Development is deemed to be interested in the 244,800 Shares (representing approximately 12.2% of the total issued Shares as of the Latest Practicable Date) and [**REDACTED**] Shares (representing approximately [**REDACTED**]% of the total issued Shares immediately following completion of the [**REDACTED**] and the [**REDACTED**] (without taking account of Shares which may be allotted and issued upon the exercise of the [**REDACTED**] and the options which have been or may be granted under the Share Option Scheme)) held by Aura pursuant to the SFO.

(3) Of these [**REDACTED**] Shares, [**REDACTED**] Shares may be subject to the [**REDACTED**] to be effected pursuant to the [**REDACTED**].

(4) Supreme Development is owned as to 100% by Mr. Ma. As such, Mr. Ma is deemed to be interested in the 1,260,000 Shares (representing approximately 63.0% of the total issued Shares as of the Latest Practicable Date) and [**REDACTED**] Shares (representing approximately [**REDACTED**]% of the total issued Shares immediately following completion of the [**REDACTED**] and the [**REDACTED**] (without taking account of Shares which may be allotted and issued upon the exercise of the [**REDACTED**] and the options which have been or may be granted under the Share Option Scheme)) deemed to be held by Supreme Development pursuant to the SFO.

(5) Mr. Ma has control of 100% of the voting rights of Vast Business and is deemed to be interested in the 540,000 Shares (representing approximately 27.0% of the total issued Shares as of the Latest Practicable Date) and [**REDACTED**] Shares (representing approximately [**REDACTED**]% of the total issued Shares immediately following completion of the [**REDACTED**] and the [**REDACTED**] (without taking account of Shares which may be allotted and issued upon the exercise of the [**REDACTED**] and the options which have been or may be granted under the Share Option Scheme)) held by Vast Business by virtue of the SFO. For further details of Vast Business and Mr. Ma's control over it, see the section headed "History, Development and Reorganization" in this document.

(6) Ms. Yu Juan (喻娟) is the spouse of Mr. Ma. As such, Ms. Yu Juan is deemed under the SFO to be interested in the Shares in which Mr. Ma is interested upon the [**REDACTED**].

Save as disclosed herein, our Directors are not aware of any person who will, immediately following the [**REDACTED**] and the [**REDACTED**] (without taking into account any Shares that may be issued pursuant to the exercise of the [**REDACTED**] or options which have been or may be granted under the Share Option Scheme), have an interest or short position in our Shares or underlying Shares, which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% of the issued voting shares of any other member of our Group. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

DIRECTORS AND SENIOR MANAGEMENT

Our Board consists of six members, including three executive Directors and three independent non-executive Directors. The power and duties of the Board include convening shareholders' meetings and reporting the Board's work at shareholders' meeting, implementing resolutions passed at shareholders' meetings, determining our Group's business plans and investment plans, formulating our Group's annual budget and final accounts, formulating proposals for profit distributions and for the increase or reduction of share capital as well as exercising other powers, functions and duties as conferred by the Memorandum and Articles of Association. All the executive Directors have entered into service contracts with our Group.

The following table sets out the information regarding the current Directors of our Company.

Name	Age	Present position in our Company	Date of joining our Group	Date of appointment as Director	Principal roles and responsibilities	Relationship with other Directors and members of our senior management
Mr. Ma Xiaohui (馬曉輝先生)	49	Executive Director and chairman of the Board	November 23, 2017	September 21, 2020	Corporate strategic planning and overseeing the strategic business development of our Group	None
Mr. Peng Liang (彭亮先生)	40	Executive Director and chief executive officer	November 23, 2017	March 31, 2021	Corporate strategic planning and overseeing the overall operations of our Group	None
Ms. Luo Xiaomei (羅小妹女士)	43	Executive Director and chief financial officer	May 2, 2018	March 31, 2021	Developing financial strategies and overseeing financial operations of our Group	None
Mr. Zhang Peiao (張培驁先生)	46	Independent non-executive Director	October 8, 2021	October 8, 2021	Supervising and providing independent judgment to the Board	None

Name	Age	Present position in our Company	Date of joining our Group	Date of appointment as Director	Principal roles and responsibilities	Relationship with other Directors and members of our senior management
Ms. Lin Ting (林霆女士)	51	Independent non-executive Director	October 8, 2021	October 8, 2021	Supervising and providing independent judgment to the Board	None
Mr. Wang Wenping (王文平先生)	43	Independent non-executive Director	October 8, 2021	October 8, 2021	Supervising and providing independent judgment to the Board	None

Senior management

The following table sets out certain information regarding the current members of our senior management:

Name	Age	Present position in our Company	Date of joining our Group	Date of appointment as our senior management	Principal roles and responsibilities	Relationship with other Directors and members of our senior management
Mr. Peng Liang (彭亮先生)	40	Executive Director and chief executive officer	November 23, 2017	November 23, 2017	Corporate strategic planning and overseeing the overall operations of our Group	None
Ms. Luo Xiaomei (羅小妹女士)	43	Executive Director and chief financial officer	May 2, 2018	May 2, 2018	Developing financial strategies and overseeing financial operations of our Group	None
Mr. Xie Song (謝嵩先生)	38	Chief operating officer	February 1, 2018	February 1, 2018	Overseeing the operations , information technology system and business development of our Group	None

Name	Age	Present position in our Company	Date of joining our Group	Date of appointment as our senior management	Principal roles and responsibilities	Relationship with other Directors and members of our senior management
Ms. Meng Ran (孟冉女士)	36	Chief media officer	January 4, 2018	January 4, 2018	Formulating cooperative strategies with media partners and managing the strategic development with key account customers	None

Executive Directors

Mr. Ma Xiaohui (馬曉輝先生), aged 49, is our executive Director and the chairman of the Board and is mainly responsible for corporate strategic planning and overseeing the strategic business development of our Group. Mr. Ma established Uju Beijing, our main operating subsidiary on November 23, 2017 and has been the director of Uju Beijing ever since. He is also the director of Uju Hong Kong. Mr. Ma was appointed as our Director since its incorporation, being September 21, 2020, and was re-designated as an executive Director on March 31, 2021.

Mr. Ma has more than 12 years of relevant experience in marketing and advertising. Prior to establishing our Group, Mr. Ma has been the director and general manager of Guangzhou Uju, a company principally engaged in online marketing for small and medium enterprises since October 2015, where he has been mainly responsible for corporate strategic planning. By the end of 2019, Guangzhou Uju has substantially ceased its business. From August 2011 to May 2015, Mr. Ma served as the vice president of Guangzhou Vipshop Information Technology Co., Ltd. (廣州唯品會信息科技有限公司) ("**Guangzhou Vipshop**"), a company principally engaged in online retail business, where he was mainly responsible for formulating marketing strategies. Guangzhou Vipshop is a significant consolidated affiliated entity of Vipshop Holdings Limited (stock code: VIPS), a company whose shares are listed on the New York Stock Exchange. From October 2008 to August 2011, Mr. Ma served as the marketing vice president of Shenzhen Zoshow Network Technology Co., Ltd. (深圳走秀網絡科技有限公司), a company principally engaged in e-commerce business, where he was mainly responsible for formulating marketing strategies. From October 1998 to October 2008, Mr. Ma served as different positions, including journalist, chief editor and director, at some of the prominent media platforms.

Mr. Ma graduated from the Communication University of China (中國傳媒大學) (formerly known as Beijing Broadcasting Institute* (北京廣播學院)) in July 1999. He also obtained an executive master of business administration (**EMBA)** degree from Cheung Kong Graduate School of Business (長江商學院) in the PRC in September 2017.

Mr. Ma was a director of the following companies prior to their deregistration with details as follows:

Company name	Place of incorporation	Business scope of the company	Position held before deregistration	Nature of proceeding	Date of deregistration
Huoerguosi Uju Cultural Media Co., Ltd.* (霍爾果斯優矩文化傳播有限公司) *("Huoerguosi Uju")*	The PRC	Online marketing	Executive director and general manager	Deregistration	September 22, 2020
Zhuhai Hengqin Uju Culture Creativity Co., Ltd.* (珠海橫琴優矩文化創意有限公司) *("Zhuhai Hengqin Uju")*	The PRC	Dormant	Executive director and manager	Deregistration	January 22, 2020

Note: Huoerguosi Uju and Zhuhai Hengqin Uju were wholly-owned subsidiaries of Guangzhou Uju before their deregistration.

As confirmed by Mr. Ma, (i) each of the above companies was inactive and solvent at the time of its deregistration; (ii) there was no wrongful act on his part leading to the deregistration; and (iii) he is not aware of any actual or potential claim that has been or will be made against him as a result of such deregistration.

Mr. Peng Liang (彭亮先生), aged 40, is our executive Director and the chief executive officer and is mainly responsible for corporate strategic planning and overseeing the overall operations of our Group. Mr. Peng has been serving as the general manager and the chief executive officer of Uju Beijing since November 2017 and January 2018, respectively. He has also been the director of Qingdao Uju, Hainan Uju, Beijing Juliang and Chongqing Juqing since the establishment of the respective subsidiaries. Mr. Peng was appointed as our executive Director on March 31, 2021.

Mr. Peng has over 12 years of relevant experience in marketing. Prior to joining our Group, Mr. Peng invested in Beijing Pangu Technology Co., Ltd. (北京盤股科技有限公司), a company principally engaged in providing internet customization and development services for the securities industry, in December 2015 and had been serving as its director since establishment until April 2021. Mr. Peng served as the general manager of the commercial market department and the general manager of the 360 mall of Beijing Star World Technology Company Ltd. (北京世界星輝科技有限責任公司), a company principally engaged in commercial marketing and operation of e-commerce platforms and the A shares of its parent company, namely 360 Security Technology Inc. (三六零安全科技股份有限公司), are listed on the Shanghai Stock Exchange (stock code: 601360), from March 2014 to October 2015, where he was mainly responsible for formulating marketing strategies for 360 mall and overseeing the sales of 360 smart hardware. From October 2012 to February 2014, Mr. Peng served as the senior vice

president and press secretary of Beijing GOME Online E-commerce Co., Ltd.* (北京國美在線電子商務有限公司), a company principally engaged in online retailing of electrical appliances and consumer electronic products and the H shares and American depository receipts of its parent company, namely GOME Retail Holdings Limited, are respectively listed on the Stock Exchange (stock code: 493) and the OTC Market in the United States (stock code: GMELY), where he was mainly responsible for formulating marketing strategies for Gome Internet (國美互聯網) and establishing and enhancing its big data system. From September 2010 to October 2012, Mr. Peng last served as the vice president of Kuba Technology (Beijing) Co., Ltd.* (庫巴科技(北京)有限公司), a company principally engaged in online retailing of electrical appliances and consumer electronic products and a subsidiary of GOME Retail Holdings Limited, where he was mainly responsible for formulating marketing strategies for the coo8 shopping platform (庫巴購物網).

Mr. Peng graduated from Renmin University of China (中國人民大學) with a bachelor degree in law in January 2010 through attending online courses. Mr. Peng also obtained a master of business administration degree from China Europe International Business School (中歐國際工商學院) in the PRC in August 2015.

Mr. Peng was a director or supervisor of the following companies prior to their dissolution or deregistration with details as follows:

Company name	Place of incorporation	Business scope of the company	Position held before revocation of business license or deregistration	Nature of proceeding	Date of renovation of business license or deregistration
Nanjing Moqi Information Technology Co., Ltd.* (南京陌奇網絡科技有限公司) ("**Nanjing Moqi**")[(Note 1)]	The PRC	Online marketing	Executive director	Deregistration	May 26, 2020
Hangzhou Kuba Technology Co., Ltd.* (杭州庫巴科技有限公司)	The PRC	Retail trading	Supervisor	Deregistration	March 9, 2015
Kuba Network Technology Jiangsu Co., Ltd.* (庫巴網絡科技江蘇有限公司)	The PRC	Retail trading	Supervisor	Deregistration	June 9, 2014
Wuhan Kuba Technology Co., Ltd. * (武漢庫巴科技有限公司)	The PRC	Retail trading	Supervisor	Deregistration	February 17, 2014
Beijing Meile[(Note 2)]	The PRC	Online sales of electrical appliances	Director	Revocation of business license	November 23, 2011

Notes:

1. Nanjing Moqi was a wholly-owned subsidiary of Guangzhou Uju before its deregistration.

2. The business license of Beijing Meile was revoked as the company was inactive with no substantial business operation and the company had omitted the requirement of annual inspection which resulted in revocation of the business license.

As confirmed by Mr. Peng, (i) each of the above companies was inactive and solvent at the time of its revocation of business license or deregistration; (ii) there was no wrongful act on his part leading to the revocation of business license or deregistration; and (iii) he is not aware of any actual or potential claim that has been or will be made against him as a result of such revocation of business license or deregistration.

Ms. Luo Xiaomei (羅小妹女士), aged 43, is our executive Director and chief financial officer and is mainly responsible for developing financial strategies and overseeing financial operations of our Group. Ms. Luo was appointed as our executive Director on March 31, 2021.

Ms. Luo has over 19 years of relevant experience in accounting and finance. Prior to joining our Group, Ms. Luo served as a financial director of Beijing Hanxin Jinghong Management Consultancy Co., Ltd.* (北京漢心景紅管理諮詢有限公司), a company principally engaged in provision of corporate consultancy services, from August 2016 to April 2018, where she was mainly responsible for enhancing the risk assessment and control system and establishing and managing the financial procedures and system. During the periods from February 2006 to May 2009 and from May 2009 to December 2015, Ms. Luo respectively worked in Alstom (China) Investment Co., Ltd. (通用電氣蒸汽發電投資有限公司) and Alstom Beizhong Power (Beijing) Co., Ltd.* (北重阿爾斯通(北京)電氣裝備有限公司), a group of companies principally engaged in manufacturing power generation and transportation equipment, where she respectively last served as a financial project controller and as a financial director and was mainly responsible for overseeing the finance, budget, operational control and internal control of the company. From March 2003 to February 2006, Ms. Luo worked as an assistant to the chief financial officer of Clyde Bergemann Huatong Materials Handling Co., Ltd. (克萊德貝爾格曼華通物料輸送有限公司), a company primarily engaged in the design and manufacturing of coal-fired power station fly ash conveying system, where she was mainly responsible for analyzing the operation and financial condition of the company and preparing financial reports and budgets. During the periods from August 2002 to February 2003 and from July 2000 to June 2002, Ms. Luo respectively worked as an auditor in PricewaterhouseCoopers Zhong Tian and An Daxin Certified Public Accountants (安達信 • 華強會計師事務所), where she was mainly responsible for performing audit work.

Ms. Luo graduated from Central University of Finance and Economics (中央財經大學) in the PRC with a bachelor degree in management majoring in foreign financial accounting in July 2000.

Independent non-executive Directors

Mr. Zhang Peiao (張培鰲先生), aged 46, was appointed as our independent non-executive Director on October 8, 2021 and is mainly responsible for supervising and providing independent judgment to the Board.

Mr. Zhang currently holds the following positions in the following companies:

Duration	Company	Business scope of the company	Position(s) held
December 2020 – Present	Yantai Bingke Medical Technology Co., Ltd.* (煙台冰科醫療科技股份有限公司)	Sanitizing the medical air system	Supervisor
August 2020 – Present	Yantai Ruijiu Medical Technology Co., Ltd.* (煙台瑞久醫療科技有限公司)	Sale of medical materials	Supervisor
August 2020 – Present	Yantai Huiyong Business Service Co., Ltd.* (煙台匯永商務服務有限公司)	Corporate management consultancy	Supervisor
August 2018 – Present	Shanghai Jujia Training School Co., Ltd.* (上海聚嘉培訓學校有限公司)	Providing academic training to primary and secondary school students and vocational training	Supervisor
December 2017 – Present	Axie Capital Management Co., Ltd.* (阿謝資本管理有限公司)	Direct investment, investment banking and fund management	Partner

In the past few years, Mr. Zhang has/had held the directorship position in the following listed companies:

Duration	Listed company	Stock exchange on which the company is listed and its stock code	Business scope of the listed company	Position(s) held
January 2017 – September 2018	Shanghai GreenShore Network Technology Co., Ltd. (上海綠岸網絡科技股份有限公司)	National Equities Exchange and Quotations; stock code: 430229	Game software development	Independent non-executive director
January 2014 – November 2017	Hang Tai Yue Group Holdings Limited (formerly known as Computech Holdings Limited)	GEM of the Stock Exchange; stock code: 8081	Among others, mobile internet cultural business and provision of IT services	Executive director and the chief executive officer

From June 2005 to December 2013, Mr. Zhang was the senior vice president of KuBao Information Technology (Shanghai) Co., Ltd.* (酷寶信息技術(上海)有限公司), a company principally engaged in technology research and development, games add-value services and e-commerce and was responsible for the relevant operation and management, media relations, government relations and legal affairs.

Mr. Zhang graduated from the Shanghai Institute of Tourism* (上海旅遊高等專科學校) in July 1997.

Mr. Zhang was a director or general manager of the following companies prior to their dissolution or deregistration with details as follows:

Company name	Place of incorporation	Business scope of the company	Position held before dissolution or deregistration	Nature of proceeding	Date of dissolution or deregistration
Shanghai Yuefu Investment Management Consulting Co., Ltd. * (上海悦輔投資管理諮詢有限公司)	The PRC	Provision of investment management consultancy services	General manager	Deregistration	February 7, 2021
Heceng Information Technology (Shanghai) Co., Ltd.* (和曾信息技術(上海)有限公司)	The PRC	Provision of internet technology services	Director	Deregistration	August 26, 2019
Gifted Children Education (Hong Kong) Limited (優童教育(香港)有限公司)	Hong Kong	Provision of internet technology services	Director	Dissolved by deregistration	November 24, 2017

As confirmed by Mr. Zhang, (i) each of the above companies was inactive and solvent at the time of its dissolution or deregistration; (ii) there was no wrongful act on his part leading to the dissolution or deregistration; and (iii) he is not aware of any actual or potential claim that has been or will be made against him as a result of such dissolution or deregistration.

Ms. Lin Ting (林霆女士), aged 51, was appointed as our independent non-executive Director on October 8, 2021 and is mainly responsible for supervising and providing independent judgment to the Board.

In the past few years, Ms. Lin has/had held the directorship position in the following listed companies:

Duration	Listed company	Stock exchange on which the company is listed and its stock code	Business scope of the listed company	Position(s) held
June 2016 – Present	Finsoft Financial Investment Holdings Limited	GEM of the Stock Exchange; stock code: 8018	(i) Provision of financial trading software solutions; (ii) provision of other IT and internet financial platforms services; (iii) money lending and (iv) provision of referral services and provision of corporate finance advisory services	Executive director
March 2017 – August 2017	Shanghai Changxin Corp., Ltd (上海長信科技股份有限公司)	National Equities Exchange and Quotations; stock code: 430611	Mobile internet communications service	Director
December 2015 – June 2016	Hang Tai Yue Group Holdings Limited (formerly known as Computech Holdings Limited)	GEM of the Stock Exchange; stock code: 8081	Mobile internet cultural business and provision of IT services	Independent non-executive director

Ms. Lin served as general manager in the logistics product department of China Eastern Airlines Co., Ltd (中國東方航空股份有限公司), a joint stock limited company incorporated in the PRC with limited liability whose H shares are listed on the Stock Exchange (stock code: 670), A shares are listed on the Shanghai Stock Exchange (stock code: 600115) and American depository receipts are listed on the New York Stock Exchange (stock code: CEA), and the holding company of Eastern Airlines Logistics Co., Ltd, and was responsible for, among others, developing and executing strategies and solutions of air cargo and logistic information system, from April 2013 to January 2015.

Ms. Lin was qualified as a project management professional by the Project Management Institute in March 2014. Ms. Lin obtained the certificate of secretary to the board of directors qualification issued by the Shanghai Stock Exchange in February 2017.

Ms. Lin graduated from Shanghai University of Engineering Science (上海工程技術大學) with a bachelor degree in industrial enterprise management in July 1992. She also obtained a master degree in technology management in information technology from the Hong Kong University of Science and Technology in May 2004.

Ms. Lin was a director of the following company prior to its deregistration with details as follows:

Company name	Place of incorporation	Business scope of the company	Position held before deregistration	Nature of proceeding	Date of deregistration
Shanghai Yuefu Investment Management Consulting Co., Ltd.* (上海悦輔投資管理諮詢有限公司)	The PRC	Provision of investment management consultancy services	Director	Deregistration	February 7, 2021

As confirmed by Ms. Lin, (i) the above company was inactive and solvent at the time of its deregistration; (ii) there was no wrongful act on her part leading to the deregistration; and (iii) she is not aware of any actual or potential claim that has been or will be made against her as a result of such deregistration.

Mr. Wang Wenping (王文平先生), aged 43, was appointed as our independent non-executive Director on October 8, 2021 and is mainly responsible for supervising and providing independent judgment to the Board.

Since April 2021, Mr. Wang has been serving as the chief financial officer of Valuable Capital Group Ltd, a company principally engaged in providing online securities brokerage services, and has been primarily responsible for formulating business plans and strategies and financial management. From August 2018 to April 2021, Mr. Wang served as an executive director of Fosun Tourism Group (復星旅遊文化集團), a company principally engaged in, among others, resort and destination operations and provision of tourism and leisure services and solutions, and listed on the Main Board of the Hong Kong Stock Exchange (stock code: 1992). From April 2017 to April 2021, Mr. Wang also served as the vice president and the chief financial officer of Fosun Tourism Group. Mr. Wang has been primarily responsible for formulating business plans, strategies and major decisions and overseeing the financial management of Fosun Tourism Group.

Prior to that, Mr. Wang worked in Something Big Technology Holdings Limited (大事科技控股有限公司), a company principally engaged in developing and operating mobile games, from January 2014 to April 2017 as the executive director, chief financial officer and company secretary and was responsible for formulating business plans and strategies and overseeing financial management. From July 2000 to December 2013, Mr. Wang worked in Deloitte Touche Tohmatsu Certified Public Accountants LLP, where he last served as a senior audit manager.

Mr. Wang graduated from Xiamen University (廈門大學) with a bachelor degree in accounting in July 2000. He also obtained a master of business administration degree from China Europe International Business School (中歐國際工商學院) in November 2018. He has been a non-practicing member of the Shanghai Institute of Certified Public Accountants (上海註冊會計師協會) since June 2015, and had been a practicing member from November 2002 to April 2015.

As of the Latest Practicable Date, save as disclosed in this section above, (i) none of the Directors held any other major appointment or directorship in other listed company in the preceding three years, nor did any of the Directors have any relationship with any Director, senior management, substantial shareholder, or Controlling Shareholders of the Company; and (ii) none of the Directors held other positions with the Company or other members of the Group.

Save as disclosed in the section headed "Substantial Shareholders" in this document and "Statutory and General Information — Further Information about Directors and Substantial Shareholders" in Appendix IV to this document, none of the Directors were interested in any Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, there were no other matters with respect of the appointment of the Directors that need to be brought to the attention of the Shareholders and there was no information relating to the Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Senior management

Mr. Peng Liang (彭亮先生), aged 40, is our executive Director and the chief executive officer. For the biography of Mr. Peng, see "Executive Directors" of this section.

Ms. Luo Xiaomei (羅小妹女士), aged 43, is our executive Director and chief financial officer. For the biography of Ms. Luo, see "Executive Directors" of this section.

Mr. Xie Song (謝嵩先生), aged 38, is our chief operating officer and is mainly responsible for overseeing the operations, information technology system and business development of our Group.

Mr. Xie has over 14 years of relevant experience in advertising. Prior to joining our Group, from November 2014 to November 2017, Mr. Xie served as a general manager in the region of East China of Beijing Jishi Interactive Online Marketing Technology Co., Ltd. (北京吉獅互動網絡營銷技術有限公司) ("**Beijing Jishi**"), a company primarily engaged in provision of information technology marketing and consultancy services, where he was mainly responsible for overseeing the design, production and publication of advertisements. Mr. Xie served as an account manager of Google Information Technology (Shanghai) Co., Ltd. from April 2006 to November 2014, a company principally engaged in the design, research and development of computer hardware and software and provision of information technology related services and the shares of its parent company, namely Alphabet Inc., are listed on the Nasdaq Global Market (stock code: GOOGL for Nasdaq Class A and GOOG for Nasdaq Class C), where he was mainly responsible for overseeing the production and placing of advertisements.

Mr. Xie graduated from Renmin University of China (中國人民大學) in the PRC with a bachelor degree in economics majoring in international economy and trade in July 2006. He also obtained a master of business administration (international) degree from The University of Hong Kong in November 2013.

Ms. Meng Ran (孟冉女士), aged 36, is our chief media officer and is responsible for formulating cooperative strategies with media partners and managing the strategic development with key account customers. Ms. Meng has been serving as the chief media officer of Uju Beijing since January 2018.

Prior to joining our Group, Ms. Meng served as a deputy general manager in the region of North China of Beijing Jishi and as a national operations director of Beijing Zoom Interactive Network Marketing Technology Co., Ltd. (北京品眾互動網絡營銷技術有限公司), a group of companies principally engaged in design, production and publication of advertisements and provision of information technology marketing and consultancy services, from May 2012 to August 2016 and from November 2009 to May 2012, respectively, where she was mainly responsible for formulating all-media marketing strategies and developing marketing plans. During the period of December 2007 to September 2009, Ms. Meng served as a media manager of Beijing Tensyn Digital Marketing Technology Joint Stock Company (北京騰信創新網絡營銷技術股份有限公司) (formerly known as Beijing Tensyn Interactive Advertising Co., Ltd.* (北京騰信互動廣告有限責任公司)), the shares of which are listed on the Shenzhen Stock Exchange (stock code: 300392) and is principally engaged in providing online advertising and public relations services, where she was mainly responsible for managing media partners, exploring new media partners and maintaining cooperative relationship with media partners.

Ms. Meng graduated from the Communication University of China (中國傳媒大學) with a diploma majoring in film and video advertising in January 2008.

COMPANY SECRETARY

Mr. Chan Ka Yin (陳家賢先生), aged 47, joined our Company as the company secretary on March 31, 2021.

He is currently a director of Apex Corporate Advisory Limited, a licensed company service provider principally engaged in providing integrated business and corporate services. He has over 14 years of experience in the corporate secretarial field and has been providing professional corporate services to Hong Kong listed and private companies, as well as offshore companies. Mr. Chan currently serves as the company secretary at Bingo Group Holdings Limited (stock code: 8220) and China Investment and Finance Group Limited (stock code: 1226), all of which are listed on the Stock Exchange. Mr. Chan obtained a bachelor's degree in business administration majoring in accounting and finance from The University of Hong Kong in November 1996. He has become a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants since May 2010 and December 2004, respectively.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Our Company expects to comply with the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules (the "**CG Code**"). Our Directors will review our corporate governance policies and compliance with the Corporate Governance 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 [**REDACTED**].

BOARD COMMITTEES

Pursuant to a resolution of our Directors passed on October 8, 2021, we have established an audit committee, a remuneration committee and a nomination committee.

Audit Committee

The Board has approved to establish the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code on October 8, 2021 with effect upon the [**REDACTED**]. The primary duties of the Audit Committee include ensuring that an effective financial reporting, internal control and risk management systems are in place and compliance of the Listing Rules, controlling the completeness of our Company's financial statements, selecting external auditors and assessing their independence and qualifications, and ensuring the effective communication between our internal and external auditors.

The Audit Committee initially comprises three members, namely Mr. Zhang Peiao, Ms. Lin Ting and Mr. Wang Wenping. Mr. Wang Wenping is the chairperson of the Audit Committee.

Remuneration Committee

The Board has approved to establish the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code on October 8, 2021 with effect upon the [**REDACTED**]. The primary duties of the Remuneration Committee include assisting the Board in determining the remuneration policy for and structure of our Directors and senior management, reviewing incentive schemes and service contracts of our Directors, and ensuring the execution of the remuneration packages of the executive Directors and senior management.

The Remuneration Committee initially comprises three members, namely Mr. Zhang Peiao, Ms. Lin Ting and Mr. Wang Wenping. Ms. Lin Ting is the chairperson of the Remuneration Committee.

Nomination Committee

The Board has approved to establish the Nomination Committee with written terms of reference in compliance with the CG Code on October 8, 2021 with effect upon the [**REDACTED**]. The primary duties of the Nomination Committee include assisting the Board in identifying suitable candidates for our Directors and making recommendations to the Board, assessing the structure and composition of the Board, preparing, making recommendations to and supervising the execution of the nomination policy of our Company.

The Nomination Committee initially comprises four members, namely Mr. Ma Xiaohui, Mr. Zhang Peiao, Ms. Lin Ting and Mr. Wang Wenping. Mr. Ma Xiaohui is the chairperson of the Nomination Committee.

Board Diversity Policy

We have adopted the board diversity policy ("**Board Diversity Policy**") which sets out the objective and approach to achieve and maintain diversity on our Board in order to enhance the effectiveness of our Board. Our Nomination Committee is delegated by our Board to be responsible for compliance with relevant code governing board diversity under the CG Code. Our Nomination Committee, when making recommendation to the Board regarding the appointment of a new Director, will take into consideration a number of factors, including but not limited to professional experience, skills, knowledge, age, gender, education, cultural background and length of service, with an aim to maintain a balance of skills set, experience, expertise and diversity of perspectives. All Board appointments will be based on meritocracy, having due regard to the attributes that the new Director will bring to the Board to complement and enrich the competencies, experience and perspectives of the Board. Upon [**REDACTED**], our Nomination Committee will review the Board Diversity Policy from time to time to ensure its continued effectiveness and we will disclose in our corporate governance report about the implementation of the Board Diversity Policy on an annual basis.

COMPLIANCE ADVISER

Our Company has appointed CMBC International Capital Limited, in accordance with Rule 3A.19 of the Listing Rules, as our compliance adviser for the period commencing on the [**REDACTED**] 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 [**REDACTED**]. Pursuant to Rule 3A.23 of the Listing Rules, our compliance adviser will provide advice to us in the following circumstances:

(i) before the publication of any regulatory announcement, circular or financial report;

(ii) where a transaction, which might be a notification or connected transaction, is contemplated, including share issues and share repurchases;

(iii) where we propose to use the proceeds from the [**REDACTED**] in a manner different from that detailed in this document or if our business activities, developments or results deviate from any forecast, estimate or other information in this document; and

(iv) where the Stock Exchange makes any inquiry to us regarding unusual movements in the price or trading volume of our Shares.

The compliance advisor, CMBC International Capital Limited, will, in a timely manner, inform us of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. CMBC International Capital Limited will also inform us of any amendment or supplement to applicable laws and regulations.

The term of appointment will commence on the [**REDACTED**] and end on the date on which we distribute the annual report of our financial results for the first full financial year commencing after the [**REDACTED**].

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our executive Directors and senior management receive compensation in the form of basic salaries, performance salaries and discretionary bonuses. Our Directors' remuneration is determined with reference to the salaries paid by comparable companies and the experience, responsibilities, workload, time devoted to our Group and individual performance of the Directors, as well as the performance of our Group.

The aggregate amounts of emoluments (including wages, salaries and bonuses, share-based compensation, contributions to pension plans, other social security costs, housing allowances and other allowance) paid to our Directors for the years ended December 31, 2018, 2019 and 2020 and for the four months ended April 30, 2021 were RMB4.9 million, RMB3.9 million, RMB4.1 million and RMB1.2 million, respectively.

For the years ended December 31, 2018, 2019 and 2020 and for the four months ended April 30, 2021, the aggregate amounts of emoluments (including wages, salaries and bonuses, share-based compensation, contributions to pension plans, other social security costs, housing allowances and other allowance) paid to the five highest paid individuals were RMB8.1 million, RMB7.4 million, RMB7.4 million and RMB4.0 million, respectively.

Save for the indirect equity interest of Uju Beijing granted to (i) Mr. Peng, Ms. Luo, Mr. Xie Song (謝嵩先生) and Ms. Meng Ran (孟冉女士) as share-based payment through Matec and (ii) Mr. Zhang Wenyue (張文岳先生), Mr. Sun Liancai (孫連才先生) and Mr. Li Zhao (李釗先生) as share-based payment through Kernel, we have not paid any remuneration to our Directors or the five highest paid individuals as an inducement to join or upon joining us or as a compensation for loss of office during the Track Record Period. Further, none of our Directors had waived or agreed to waive any remuneration during the Track Record Period. Save as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiaries to our Directors and the five highest paid individuals during the Track Record Period.

Under the arrangements currently in force, we estimate that the aggregate amounts of emoluments (excluding discretionary bonus) payable to and benefits in kind receivable by our Directors (including independent non-executive Directors in their respective capacity as Directors) for the year ending December 31, 2021 will be approximately RMB4.4 million.

We have not experienced any significant problems with our employees or disruption to our operations due to labor disputes, nor have we experienced any difficulties in the recruitment and retention of experienced staff. Further information on the remuneration of each Director during the Track Record Period as well as information on the highest paid individuals is set out in note 36 and note 10(a) to the accountant's report as set out in Appendix I to this document.

SHARE OPTION SCHEME

Our Company has conditionally adopted the Share Option Scheme on October 8, 2021. The purpose of the Share Option Scheme is to motivate the relevant participants to optimize their future contributions and efficiency to our Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such participants who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of our Group. Additionally, in the case of the executive Directors and senior management of our Group, to enable our Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions. The principal terms of the Share Option Scheme are summarized in the paragraphs headed "Statutory and General Information — Other Information — 13. Share Option Scheme" in Appendix IV to this document.

You should read the following discussion and analysis in conjunction with our audited consolidated financial information as of and for the years ended December 31, 2018, 2019 and 2020 and for the four months ended April 30, 2021 included in the Accountant's Report set out in Appendix I to this document, together with the accompanying notes. Our consolidated financial information has been prepared in accordance with IFRSs.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. In evaluating our business, you should carefully consider the information provided in the section headed "Risk Factors" in this document.

OVERVIEW

We are one of fast-growing market players, despite our short operating history since 2018 in China's emerging and rapid-growing online short video marketing solutions industry. We mainly generate our revenue by providing one-stop cross-media online marketing solutions, in particular online short video marketing solutions, through our media partners for our advertiser customers to market their products and services. Under the all-in-one service, our revenue is generated by providing customized marketing solutions by planning, producing, placing and optimizing online advertisements, especially online short video advertisements, to help our advertiser customers acquire, convert and retain final consumers on various leading online media platforms. We establish recognized and long-term partnership with a broad base of premium media partners, including leading online short video platforms, social media platforms and search engine platforms in China, and offer them opportunities to monetize their ad inventories and user traffic more effectively and efficiently. We also provide traffic acquisition service only to distribute the advertisements on the online media platforms designated by the advertisers, revenue generated from which is recognized under advertisement distribution service.

We have experienced rapid growth during the Track Record Period. Our total revenue generated from online marketing solutions business increased significantly from RMB1,156.3 million in 2018 to RMB3,450.9 million in 2019 and further to RMB6,360.7 million in 2020. Our total revenue generated from online marketing solutions business increased significantly from RMB1,441.3 million for the four months ended April 30, 2020 to RMB2,214.2 million for the four months ended April 30, 2021. Our profit for the year increased rapidly from RMB50.1 million in 2018 to RMB81.9 million in 2019 and further to RMB133.2 million in 2020. Our profit for the period increased rapidly from RMB12.6 million for the four months ended April 30, 2020 to RMB68.6 million for the four months ended April 30, 2021. In particular, our total gross billing generated from online marketing solutions business increased significantly from RMB1,972.4 million in 2018 to RMB5,152.2 million in 2019 and further to RMB8,767.5 million in 2020. Our total gross billing generated from online marketing solutions business for the year increased rapidly from RMB2,046.5 million for the four months ended April 30, 2020 to RMB3,123.5 million for the four months ended April 30, 2021.

BASIS OF PRESENTATION

During the Track Record Period, the [**REDACTED**] business was conducted through Beijing Uju, Qingdao Uju, Hainan Uju, Beijing Juliang and Shanghai Juqing (the "**Uju**

Beijing Group") . To rationalize the corporate structure in preparation of the [**REDACTED**], the Group underwent the Reorganisation. Pursuant to the Reorganization, the details of which are set out in "History, Development and Reorganization" in this document, the Company became the holding company of the companies now comprising the Group on March 3, 2021.

The Company was not involved in any other business prior to the Reorganisation and did not meet the definition of a business. The Reorganisation is merely a recapitalisation of the [**REDACTED**] business with no change in management and the owners of the [**REDACTED**] business. Accordingly, the Group resulting from the Reorganisation is regarded as a continuation of the [**REDACTED**] business under the Uju Beijing Group. For details, see notes 1 to 3 of the Accountants Report set out in Appendix I to this document.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We believe the following are key factors that affect our results of operations:

Our Ability to Expand Paying Consumers Base for Our Advertiser Customers and Enhance Monetization Efficiency

We generate revenue primarily from providing online marketing solutions through our media partners for our advertiser customers to market their products or services. As such, the number of paying final consumers for our advertiser customers is crucial to our brand and reputation, which in turn will affect our results of operations and future prospects. We provide quality and attention-catching online short video marketing solutions for our advertiser customers to attract, retain and convert potential paying final consumers.

We also established long-term partnerships with a broad base of premium media partners, such as leading online short video platforms, social media platforms and search engine platforms, to acquire user traffic and optimize ad campaign performance and maximize the rate of return of our advertiser customers' spending. Specifically, our online marketing tools engage users through appealing online short video marketing solutions, thereby directing them to the mobile internet page that our advertisers designate to present their products or services. The enhancement of our services' monetization efficiency will, on one hand, help our advertiser customers to reach a broader target consumers base and better achieve their marketing goals, and on the other hand, attract more advertiser customers for us.

In addition, a large and expanding final consumers base provides an invaluable source of big data for us which we can leverage to better understand the final consumers' needs and preferences, and, to an extent, help our advertiser customers to effectively and efficiently identify their target consumers. We are, therefore, able to further refine our service offerings to improve our advertiser customers' overall experience, which is pivotal to the success of our business and future growth.

Growth of Our Advertiser Customers Base and Their Spending

Our results of operations are affected by the growth and diversity of our advertiser customers base and the spending of each of our advertiser customers. As we provide online marketing solutions to advertiser customers, the growth of our revenue depends largely on our ability to continue to expand our advertiser customers base, and to attract them to allocate more advertising budgets with us. Our advertiser customers encompass a wide array of industry verticals, such as e-commerce, internet services, gaming, leisure & traveling, education, financial services and real estate & home furnishing industries. Our diversified advertiser base hedges the risks of a single business when a particular industry is restricted or prohibited by laws or regulations. During the Track Record Period, the total number of our advertiser customers have increased rapidly from 484 in 2018 to 757 in 2019 and further to 1,028 in 2020; the total number of our advertiser customers increased from 565 for the four months ended April 30, 2020 to 651 for the four months ended April 30, 2021. Our average gross billing generated by each advertiser customer, which is measured by the total gross billing divided by the total number of our advertiser customers, increased from RMB4.1 million in 2018, to RMB6.8 million in 2019 and RMB8.5 million in 2020, and to RMB4.8 million for the four months ended April 30, 2021.

Our ability to increase the spending of our advertiser customers depends on various key factors, including (i) our insights into the latest market trends and advertiser customers' evolving needs and requirements; (ii) our content production capability to produce appealing and attention-catching advertisements that attract and accumulate more audiences; and (iii) our continuous technological innovation to provide more precise advertising services.

Growth in and Relationship with Our Media Partners

We acquire user traffic from our media partners to place our advertisements online and pay traffic acquisition costs. Our results of operations are affected by our ability to acquire high volume and cost-efficient user traffic timely and collect data from our media partners. We strive to expand our media partner network, in particular those leading online short video platforms, information feed platforms and search engine platforms. During the Track Record Period, the number of our media partners was 50 in 2018, 46 in 2019, 32 in 2020 and 21 as at April 30, 2021, including the two largest short video platforms in China.

In addition, we seek to manage the user traffic acquisition cost that we pay to media partners so as to increase our profit margin. From time to time, our media partners may grant to us rebates mainly based on the gross spending of the advertiser customers (i) in the form of prepayments for future traffic acquisition; (ii) to net off the accounts payables we owed to them; or (iii) in cash. We record such rebates as reduction of cost of services under gross basis, or as revenue under net basis. Such rebates are recorded as reduction of cost of services under gross method and as revenue under net method in our consolidated statements of profit or loss and other comprehensive income, which can affect our gross profit margin and increase online media platforms' stickiness to us in the long run. See "— Critical Accounting Policies and Estimates — Revenue Recognition" in this section for details regarding our revenue recognition policy of gross method and net method. However, any significant fluctuations in rebates from media partners may have a significant impact on our revenue and results of operations.

Ability to control our costs and expenses

During the Track Record Period, traffic acquisition and monitoring costs represented the largest component of our cost of services, which accounted for 88.2%, 91.9%, 93.3% and 91.9%, respectively, of our total revenue for the years ended December 31, 2018, 2019 and 2020 and for the four months ended April 30, 2021. The following table sets forth a sensitivity analysis illustrating the impact of hypothetical fluctuations in advertising traffic acquisition and monitoring costs on our profit before income tax for the years indicated:

	Year ended December 31,			Four months ended April 30,
	2018	2019	2020	2021
	Change in profit before income tax	Change in profit before income tax	Change in profit before income tax	Change in profit before income tax
	(RMB'000, except percentage)			
+15%	(153,032)	(475,828)	(890,441)	(305,364)
+10%	(102,022)	(317,219)	(593,627)	(203,576)
+5%	(51,011)	(158,609)	(296,814)	(101,788)
-5%	51,011	158,609	296,814	101,788
-10%	102,022	317,219	593,627	203,576
-15%	153,032	475,828	890,441	305,364

Meanwhile, employee benefits expenses constituted the second largest component of our cost of services, the largest component of our selling and distribution expenses and the largest component of our general and administrative expenses. For the years ended December 31, 2018, 2019, 2020 and the four months ended April 30, 2021, our total employee benefits expenses (including those recorded in cost of services, selling expenses, and administrative expenses as well as research and development expenses) accounted for approximately 3.0%, 1.7%, 1.8% and 2.7%, respectively, of our total revenue for the same years. The number of our employees has been increasing along with the growth of our business, and the increases in the employee benefits expenses were primarily attributable to the increases in both the headcount and the general compensation level to recruit and retain qualified management and key employees. The following table sets forth a

sensitivity analysis illustrating the impact of hypothetical fluctuations in employee benefits expenses on our profit before income tax for the years indicated:

	Year ended December 31,			Four months ended April 30,
	2018	2019	2020	2021
	Change in profit before income tax	Change in profit before income tax	Change in profit before income tax	Change in profit before income tax
	(RMB'000, except percentage)			
+15%	(5,264)	(8,957)	(17,420)	(8,917)
+10%	(3,510)	(5,971)	(11,614)	(5,945)
+5%	(1,755)	(2,986)	(5,807)	(2,972)
-5%	1,755	2,986	5,807	2,972
-10%	3,510	5,971	11,614	5,945
-15%	5,264	8,957	17,420	8,917

The industry we operate in is rapidly changing due to constant technological developments and the evolving market trend. Our future success highly relies on our ability to attract, hire, retain and motivate professional employees. In particular, the constant development of our advanced technology depends on our technical talents. Experienced experts in the field of big data analytics and SaaS platforms are essential for us to precisely target and reach the types of audiences best suited in the advertising campaigns and improve advertising efficiency and effectiveness. In addition, our ability to expand the scope of our business and enhance the overall results of operations relies on our selling and marketing employees with deep understanding of the latest market demand and industry trend.

We expect that the traffic acquisition and monitoring costs and employee benefits expenses to continue to be our most significant costs and expenses going forward, particularly in light of the continued expansion and ramping up of our online short video marketing solutions business and the general increase in the average compensation level of the internet related industries. Our ability to control such costs and expenses may significantly affect our profitability.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We prepare our consolidated financial information in accordance with IFRSs, which requires us to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities on the date of the consolidated financial information and the reported amounts of revenues and expenses during the financial reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future. We continually evaluate these estimates and assumptions based on the most recently available information, our own historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making

judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Because the use of estimates is an integral component of the financial reporting process, actual results could differ from those estimates. We will continuously assess our assumptions and estimates going forward. We consider the policies discussed below to be critical to an understanding of our consolidated financial information as their application places the most significant demands on our management's judgment.

For details of our significant accounting policies, estimates, assumption and judgments, see Notes 4 and 6 in Appendix I to this document.

Revenue Recognition

We generate revenue primarily from providing online marketing solutions. The method we recognize revenue from our online marketing solutions business is affected by the role under each particular contract with customers. For contracts where we act as a principal, we recognize revenue on a gross basis, while for contracts where we act as an agent, we recognize revenue on a net basis. In determining whether we are acting as a principal or as an agent in the provision of online marketing solutions, it requires our management's judgments and considerations of all relevant facts and circumstances, including but not limit to (a) whether the entity is primarily responsible for fulfilling the promise to provide the specified service; (b) whether the entity has inventory risk before the specified service has been transferred to a customer or after transfer of control to the customer; and (c) whether the entity has discretion in establishing the prices for the specified goods or service. Specifically, for all-in-one service, we recognize revenue on a gross basis; while for advertisement distribution service, we recognize revenue on a net basis.

(i) All-in-one Online Marketing Solutions Service (Gross basis)

We provide one stop online marketing solutions, including traffic acquisition from top online media platforms, content production, big data analysis and advertising campaign optimization, to our advertisers. We charge the advertisers primarily based on a mix of CPC (recognize revenue when specified action, such as click-throughs, is performed) or CPT (recognized revenue over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation). Media partners may also grant to us rebates mainly based on the gross spending of the advertisers (i) in the form of prepayments for future traffic acquisition; (ii) to net off the accounts payables we owed to them; or (iii) in cash.

While none of the factors individually are considered presumptive or determinative, in this arrangement we are the primary obligor and responsible for (i) identifying and contracting with third-party advertisers which we view as customers, and delivering the specified integrated services to the advertisers; (ii) bearing certain risks of loss to the extent that the cost incurred for producing contents, formulating advertisement campaign and acquiring user traffic from online media platforms cannot be compensated by the total consideration received from the advertisers, which is similar to inventory risk; and (iii) performing all the billing and collection activities, including retaining credit risk. We have control in the specified service before that service is transferred to the advertiser and act as the principal of these arrangements and therefore recognizes revenue earned

and costs incurred related to these transactions on a gross basis. Under this arrangement, the rebates earned from the media partners are recorded as a reduction of cost of services.

(ii) Advertisement Distribution Service (Net basis)

We also provide traffic acquisition service only to distribute the advertisements produced by the advertisers online. The advertisements are published on the targeted online media platforms determined by the advertisers.

We are not the principal in this arrangement as we do not control the specified service before that service is provided to the customer, because (i) we do not provide the all-in-one integrated services. Online publisher, rather than us, is primarily responsible for providing the media publishing service; (ii) the online media platforms are identified and determined by the customers, rather than us. Therefore, we are not the principal in executing these transactions. We report the amount received from the customers and the amounts paid to the online media platforms related to these transactions on a net basis. Under this arrangement, media partners may also grant us rebates which are recorded as revenue in our consolidated statements of profit or loss and other comprehensive income.

The rebates offered by us to the customers under the abovementioned two business models are recognized as a deduction of revenue at the time when such rebates are granted.

Rebates from Media Partners

We record rebates from media partners as reduction of cost of services under gross basis (where we act as principal), or as revenue under net basis (where we act as agent). The rebates earned by us from media partners (or their authorized agencies) come with a variety of structures and rates, which are primarily determined based on the contractual terms with these media partners (or their authorized agencies), their applicable rebate policies, the business performance of our Group and the discretionary incentive programs as set up by the media partners (or the authorized agencies).

As quarterly rebates are generally confirmed by relevant media partners within in one to three months after the end of a quarter, and annual rebates are generally confirmed within the second quarter of the following year, the annual and fourth quarter rebates from media partners would normally be finalized and received subsequent to the year-end. Accordingly, we have made and will make reasonable estimates of accrual for rebates from media partners pursuant to the requirements under IAS 8. We make accruals for the rebates based on estimation and make adjustments to our accounts when the rebates are confirmed by the media partners. For net basis where we act as agent, the rebates are revenue under IFRS 15 and are accrued to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the estimate is subsequently resolved. Such estimates were based on, amongst others, evaluation as to whether the contractually stipulated thresholds of advertising spending are likely to be reached, other benchmarks, certain prescribed categorisation levels are likely to being qualified, or our discussion with and understanding from the media partners, within the regulatory reporting

deadlines. In making this judgment and estimation, we evaluate based on, amongst others, our past experience, regular monitoring of various performance factors, the rebate policies as set by the media partners and the prevailing market information in relation to the rebates granted by such media partners.

During the Track Record Period, we have made accrual for rebates from media partners for preparing of year-end management accounts, the PRC audited financial reports and the annual EIT returns. However, since a portion of the rebates from media partners were at the media partners' discretions, the final actual amounts of discretionary rebates granted by/received from the media partners might turn out to be different from the accrued amount estimated by the management for the preparation of the PRC audited financial reports (or the annual EIT returns). Such differences amounted to approximately RMB33.6 million and RMB86.7 million for the two years ended December 31, 2018 and 2019, respectively. Corresponding adjustments on accrual of rebates from media partners have already been properly made for respective years when preparing the Group's historical financial information for the purpose of audit for the [**REDACTED**]. On the other hand, the related income tax expenses (and accordingly the related liabilities) arising from the above-mentioned temporary timing differences in 2018 and 2019 have been subsequently declared in the annual EIT returns for 2019 and 2020 respectively when temporary timing differences were reversed, and the related income tax expenses (and accordingly the related liabilities) were also subsequently settled accordingly.

The differences between settlement and accruals of rebates could not be foreseen in advance when preparing or approving the financial statements and is indicative of conditions that arose after the balance sheet date. Considering aforementioned factors, and the fact that we have already made our best estimation based on all information available as of the approval date of the financial statements, we record the difference in rebates in the period when the discretionary rebates are actually granted by/received from media partners instead of making any prior period adjustments retrospectively.

We will review and adjust the basis of our accounting estimates in relation to rebates from time to time as appropriate. As we have cooperated with and maintain good business relationship with different media partners during the Track Record Period, we have accumulated experience and understanding on the policies, basis and criteria which the respective media partners will adopt in determining the discretionary rebates. Our good relationship with media partners also allows us to keep close communication with them so as to get latest update of their rebate policies, which is enabling management to determine the rebate accrual amount with the best estimates. In addition, we will engage external auditor after the [**REDACTED**], who will assess and evaluate the reasonableness of the key management's accounting estimates as part of their audit procedures.

Based on the above, we believe that we are able to make reasonable estimates of accrual for rebates within the regulatory reporting deadlines after [**REDACTED**] and any material differences between the accrued amounts of rebates estimated by the management and the actual amounts of rebates subsequently received could be adequately identified by our financial reporting system and reflected in our financial statements accordingly.

Impairment of Accounts Receivables

We apply the IFRS 9 simplified approach to measuring expected credit losses ("ECLs") which uses a lifetime expected loss allowance for all accounts receivables. To measure the ECLs, accounts receivables have been grouped based on shared credit risk characteristics and the aging of the receivables. The ECL rates are based on the payment profiles and the corresponding historical credit losses. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. We recognize and measure loss allowance for each category of accounts receivables separately:

- For accounts receivables due from customers grouped based on similar credit risk characteristics, we calculate the ECLs by referring to the historical credit loss experience, combining with the current situation and the forecast of future economic conditions and measuring the accounts receivables aging and ECL loss rate during the lifetime.

- For accounts receivables due from customers with specific credit risks, such as the customers that we have identified with financial difficulties, we apply the individual identification method based on the characteristics of credit risk of each individual balance.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. Our historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on our accounts receivables is disclosed in Notes 5.1, 6.2 and 23, respectively in Appendix I to this document.

Current and Deferred Tax

Significant judgment is required in interpreting the relevant tax rules and regulation so as to determine whether we are subject to corporate income tax. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes us to change our judgment regarding the adequacy of the tax liabilities and such changes to tax liabilities will impact tax expense in the period that such determination is made. Further details regarding the current and deferred tax are set out in Notes 4.15, 6.3 and 29 in Appendix I to this document.

DESCRIPTION OF SELECTED ITEMS OF STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth our consolidated statements of profit or loss and other comprehensive income for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (unaudited)	(RMB'000)
Revenue	1,156,278	3,450,856	6,360,724	1,441,293	2,214,164
Cost of services	(1,049,623)	(3,211,600)	(6,035,343)	(1,370,292)	(2,093,364)
Gross profit	106,655	239,256	325,381	71,001	120,800
Selling expenses	(13,588)	(18,259)	(18,797)	(5,289)	(9,251)
General and administrative expenses	(19,416)	(28,409)	(44,678)	(10,148)	(25,320)
Research and development expenses	–	–	(4,399)	(3,267)	(1,464)
Net impairment losses on financial assets	(926)	(77,493)	(53,744)	(26,926)	(8,211)
Other income	535	6,919	3,516	411	26,635
Other losses, net	(221)	(681)	(1,650)	(236)	(44)
Operating profit	73,039	121,333	205,629	25,546	103,145
Finance income	222	262	255	49	118
Finance costs	(4,357)	(11,393)	(27,686)	(8,531)	(9,204)
Finance costs – net	(4,135)	(11,131)	(27,431)	(8,482)	(9,086)
Profit before income tax	68,904	110,202	178,198	17,064	94,059
Income tax expenses	(18,760)	(28,288)	(45,019)	(4,470)	(25,420)
Profit for the year	50,144	81,914	133,179	12,594	68,639

Revenue

During the Track Record Period, we generated our revenue primarily from the provision of online marketing solutions, especially from online short video marketing solutions to advertiser customers directly or through advertising agencies to a lesser extent. Please see "Business — Our Business Model" for more details.

We normally enter into annual framework agreements with our advertiser customers and charge them for our online marketing solutions based primarily on a mix of CPC and CPT. See "Business — Our Online Marketing Solutions Business" for details. Our

online marketing solutions grew rapidly during the Track Record Period, benefiting from the increasing recognition and popularity of online short video marketing by both final consumers and advertiser customers. Our advertiser customers primarily include direct advertisers, and to a lesser extent, advertising agencies.

The table below sets forth a breakdown of revenue generated from our online marketing solutions business by type of advertiser customers for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2018		2019		2020		2020		2021	
	(RMB'000)	% of the total	(RMB'000)	% of the total	(RMB'000)	% of the total	(RMB'000) (unaudited)	% of the total	(RMB'000)	% of the total
Direct advertisers	1,115,466	96.5	3,375,541	97.8	6,294,906	99.0	1,420,580	98.6	2,161,903	97.6
Advertising agencies	40,812	3.5	75,315	2.2	65,818	1.0	20,713	1.4	52,261	2.4
Total	1,156,278	100.0	3,450,856	100.0	6,360,724	100.0	1,441,293	100.0	2,214,164	100.0

The advertiser customers we serve operate in a wide array of industry verticals, which primarily include e-commerce, internet services, gaming, leisure & travelling, education, financial services and real estate & home furnishing. The table below sets forth a breakdown of revenue generated from our online marketing solutions business by industry verticals of our direct advertisers for the years indicated:

Revenue by industry from direct advertisers

	Year ended December 31,						Four months ended April 30,			
	2018		2019		2020		2020		2021	
	Revenue	% of revenue	Revenue	% of revenue	Revenue	% of revenue	Revenue	% of revenue	Revenue	% of revenue
	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000) (unaudited)	%	(RMB'000)	%
E-commerce	460,593	41.3	1,610,688	47.7	3,362,948	53.4	649,589	45.7	1,015,626	47.0
Internet Services	181,241	16.2	739,141	21.9	918,933	14.6	279,068	19.6	370,544	17.1
Gaming	98,326	8.8	325,755	9.7	961,931	15.3	316,573	22.3	297,454	13.8
Leisure & Travelling	205,337	18.4	301,790	8.9	255,995	4.1	62,580	4.4	71,718	3.3
Education	78,266	7.0	210,404	6.2	646,436	10.3	86,178	6.1	295,786	13.7
Financial Services	40,499	3.6	117,791	3.5	82,820	1.3	13,600	1.0	83,700	3.9
Real Estate & Home Furnishing	15,663	1.4	50,769	1.5	39,365	0.6	8,843	0.6	18,920	0.9
Others	35,541	3.3	19,204	0.6	26,479	0.4	4,149	0.3	8,155	0.3
Total	**1,115,466**	**100.0**	**3,375,541**	**100.0**	**6,294,906**	**100.0**	**1,420,580**	**100.0**	**2,161,903**	**100.0**

(1) Others mainly include automobile sales and fast-moving consumer goods industries.

Due to the different types of our advertiser customers and the services we provide, we recognize our revenue either on a gross basis or on a net basis. When we provide all-in-one online marketing solution service (all-in-one services) and are solely responsible for the online advertisement that we place and the fulfillment of the relevant advertising contracts, we act as a principal and record revenue on a gross basis. On the other hand, when we provide only user traffic services or intermediary services for our advertiser customers (advertisement distribution service), we act as an agent and record revenue on a net basis. See "— Critical Accounting Policies and Estimates — Revenue Recognition" in this section and Note 4.19 in Appendix I to this document for more details regarding our revenue recognition policies.

The following table sets forth a breakdown of our revenue generated from online marketing solutions business by revenue recognition methods for the years indicated:

	Year ended December 31,						Four months ended April 30,			
	2018		2019		2020		2020		2021	
	(RMB'000)	% of the total	(RMB'000)	% of the total	(RMB'000)	% of the total	(RMB'000) (unaudited)	% of the total	(RMB'000)	% of the total
All-in-one service (gross method)	1,108,806	95.9	3,367,848	97.6	6,280,808	98.7	1,419,618	98.5	2,160,699	97.6
Advertisement distribution service (net method)	47,472	4.1	83,008	2.4	79,916	1.3	21,675	1.5	53,465	2.4
Total	1,156,278	100.0	3,450,856	100.0	6,360,724	100.0	1,441,293	100.0	2,214,164	100.0

Our revenue recorded on a gross basis accounted for an increasing and a substantial portion of our total revenue during the Track Record Period, indicating that we have acted as principal and had control in a majority of transactions with our media partners. We sometimes provide only user traffic acquisition services or advertisement distribution service for our advertiser customers, where we act as an intermediary rather than a principal, and our revenue generated therefrom is recorded on a net basis. Under this arrangement, the rebates from the media partners, calculated primarily based on the gross spending of our total traffic acquisition cost, are also recognized as revenue in our consolidated statements of profit or loss and other comprehensive income.

The following table illustrates the reconciliation of our gross billing and our revenue recorded under advertisement distribution service on a net basis during the Track Record Period:

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (unaudited)	(RMB'000)
Gross billing	863,570	1,784,351	2,486,733	626,865	962,835
Less: traffic acquisition cost from media partners	(816,098)	(1,701,343)	(2,406,817)	(605,190)	(909,370)
Revenue	47,472	83,008	79,916	21,675	53,465

Our revenue recorded under online marketing solutions business on a net basis increased from RMB47.5 million in 2018 to RMB83.0 million in 2019 and RMB79.9 million in 2020, and increased from RMB21.7 million for the four months ended April 30, 2020 to RMB53.5 million for the four months ended April 30, 2021, which is generally in line with the rapid growth of our online short video marketing solutions business during the same periods.

The gross margin of our gross billing reconciled on a net basis, calculated as revenue divided by gross billing, was 5.5%, 4.7% and 3.2% for the years ended December 31, 2018, 2019 and 2020, respectively.

Cost of Services

Our cost of services primarily consists of traffic acquisition and monitoring costs and employee benefit expenses. During the Track Record Period, traffic acquisition and monitoring costs constituted the largest portion of our cost of services, and employee benefit expenses constituted the second largest portion of our cost of services. For the years ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2020 and 2021, our traffic acquisition and monitoring costs amounted to RMB1,020.2 million, RMB3,172.2 million, RMB5,936.3 million, RMB1,346.5 million and RMB2,035.8 million, respectively, representing approximately 97.2%, 98.8%, 98.4%, 98.3% and 97.2%, respectively, of our total cost of services for the same periods, which such increase was in line with our business expansion. For the years ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2020 and 2021, our employee benefit expenses amounted to RMB12.0 million, RMB29.0 million, RMB71.6 million, RMB18.5 million and RMB41.0 million, respectively, accounting for approximately 1.1%, 0.9%, 1.2%, 1.4% and 2.0%, respectively, of our total cost of services for the same years. Such increases in our employee benefit expenses were attributable to the increases in the number and the general compensation level of our employees, reflecting our fast business expansion. The

following table sets forth a breakdown of our cost of services by nature for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (unaudited)	(RMB'000)
Traffic acquisition and monitoring costs	1,020,215	3,172,187	5,936,274	1,346,549	2,035,759
Outsourcing video production costs	132	2,083	13,475	1,609	9,824
Employee benefit expenses	11,990	28,997	71,565	18,527	41,039
Depreciation and amortization expenses	1,051	1,874	4,484	1,623	2,908
Taxes and surcharges	13,361	2,604	5,496	1,392	3,034
Office expenses	259	373	1,164	317	380
Travelling expenses	157	396	408	37	163
Others	2,458	3,086	2,477	238	257
Total	**1,049,623**	**3,211,600**	**6,035,343**	**1,370,292**	**2,093,364**

Traffic acquisition and monitoring costs mainly represents costs of user traffic we purchase from our media partners. Our traffic acquisition costs may vary due to a number of factors, including, among others, the specific advertising spaces, time and duration of the advertising campaigns, and the different pricing policies of online media platforms. Our traffic acquisition and monitoring costs accounted for a substantial portion of our total cost of services during the Track Record Period, primarily as we generally acquired advertising user traffic from top online media platforms, of which the traffic acquisition costs were expensive, and in line with the market practice.

The "monitoring cost" refers to the costs we pay to the independent third party agencies appointed by us to monitor whether the frequency and duration for display of advertisements under the CPT pricing model were properly delivered as we charge our advertiser customers for placing advertisement for a specific period of time contractually agreed by our advertiser customers and us. The following table sets for the breakdown of our traffic acquisition costs and monitoring costs during the Track Record Period:

	Year ended December 31			Four months ended April 30	
	2018	2019	2020	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (Unaudited)	(RMB'000)
Traffic acquisition cost	1,019,929	3,171,653	5,934,955	1,346,337	2,035,333
Monitoring cost	286	534	1,319	212	426
Total	1,020,215	3,172,187	5,936,274	1,346,549	2,035,759

From time to time, our media partners may grant us rebates calculated primarily based on our gross spending of our total traffic acquisition costs, and such rebates under the gross method are recorded as reduction of cost of services in our consolidated statements of profit or loss and other comprehensive income. For the years ended December 31, 2018, 2019, 2020 and the four months ended April 30, 2021, the aggregate amount of rebates we generated from media partners was RMB291.4 million, RMB637.9 million, RMB935.9 million and RMB354.9 million, respectively. The increase in our rebates received during the Track Record Period was in line with the expansion of our cooperation with online media platforms.

During the Track Record Period, our traffic acquisition and monitoring costs increased by 210.9% from 2018 to 2019 and 87.1% from 2019 to 2020, whereas the amount of rebates we received from online media platforms increased by 118.9% from 2018 to 2019 and 46.7% from 2019 to 2020. The disproportionate increase in our traffic and acquisition and monitoring costs and the amount of rebates we received from online media platforms was primarily due to (i) the decrease in the rate of rebates granted to us by the certain online media platforms, which in turn, was mainly because (a) the bargaining power of certain online media platforms increased in line with their rapid development during the Track Record Period, in particular, for the period from 2018 to 2020 where the online short video marketing market experienced a significant growth at a CAGR of 147.3% according to the iResearch Report. According to iResearch, online marketing solution providers whose businesses are directly comparable to ours are exposed to the similar fluctuation of traffic acquisition costs, however the fluctuation of gross profit margin recorded by them will still be subject to a number of factors which vary from an enterprise to another, such as the mix of online media platforms the online marketing solutions provider uses, the mix of advertisements it is requested to place and what other costs are incurred by the enterprise in carrying out its business. The market is expected to further grow at a comparatively lower CAGR of 30.7% from 2020 to 2025; and (b) the business of some

online media platforms became mature and they focused more on enhancing profitability by lowering rebate rates instead of attracting customers by granting higher rebates; and (ii) the increase of purchase of acquisition and monitoring cost from online media platforms with lower rate of rebate in 2019 and 2020. Our Directors are of the view that, which is concurred by iResearch, the traffic acquisition cost of the short video marketing industry, taking into account the rebates to be granted, will become stable as the growth of online short video marketing industry would gradually slow down in the foreseeable future after years of booming development. According to iResearch, such view is based on the following reasons: (i) the online short video market will slide from the fast-growing early period into a stable-growing mature period; (ii) with the market becoming increasingly sophisticated and the competitive landscape taking shape, the traffic pricing system of online short video platforms is stabilizing; and (iii) online short video marketing has gained certain popularity among the advertisers, and the advertisers have grown a demand for online short video marketing. Going forward, we expect our profitability will be improved taking into account of the facts that (i) the increase in acquisition costs is expected to slow down or remain relatively stable as discussed above; and (ii) the further expansion of our business with reducing costs as a result of our continuous efforts to streamline the working process and improve the delivery efficiency of our online marketing solutions.

Employee benefit expenses mainly consist of the wages, salaries, bonuses, social security costs, housing benefits and other employee benefits as well as share-based compensation expenses for our employees.

Gross Profit and Gross Profit Margin

Our gross profit consists of our revenue less cost of services. For the years ended December 31, 2018, 2019, 2020 and the four months ended April 30, 2020 and 2021, our gross profit was RMB106.7 million, RMB239.3 million, RMB325.4 million, RMB71.0 million and RMB120.8 million, respectively. Gross profit margin represents gross profit divided by total revenue, expressed as a percentage. For the years ended December 31, 2018, 2019, 2020 and the four months ended April 30, 2020 and 2021, our gross profit margin was 9.2%, 6.9%, 5.1%, 4.9% and 5.5%, respectively.

The following table sets forth a breakdown of our gross profit and gross profit margin by service offerings and revenue recognition methods for the periods indicated:

	Year Ended December 31,						Four months ended April 30,			
	2018		2019		2020		2020		2021	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000) (unaudited)	%	(RMB'000)	%
All-in-one service (gross method)	59,183	5.3	156,248	4.6	245,465	3.9	49,326	3.5	67,335	3.1
Advertisement distribution service (net method)[(1)]	47,472	100.0	83,008	100.0	79,916	100.0	21,675	100.0	53,465	100.0
Total	106,655	9.2	239,256	6.9	325,381	5.1	71,001	4.9	120,800	5.5

Note:

(1) When we provide only traffic acquisition services for our advertiser customers, we act as an intermediary, where our traffic acquisition costs directly net off revenue, and we do not record cost of services separately.

Our gross profit increased significantly from RMB106.7 million in 2018 to RMB239.3 million in 2019 and further to RMB325.4 million in 2020. Our gross profit increased rapidly from RMB71.0 million for the four months ended April 30, 2020 to RMB120.8 million for the four months ended April 30, 2021. Such increases in our gross profit were primarily due to the rapid expansion of our online short video marketing solutions business benefiting from the increasing recognition and popularity of online short video marketing.

Our gross profit margin decreased from 9.2% in 2018 to 6.9% in 2019 and further to 5.1% in 2020, primarily due to:

(i) an increasing proportion of revenue recognized under all-in-one service which recorded a lower gross profit margin as compared to that of advertisement distribution service, as a result of our rapid business development and growth with direct advertisers. The revenue contribution from all-in-one service represented 95.9%, 97.6% and 98.7% of our total revenue during the Track Record Period; and

(ii) the decreases in the gross profit margin of our services provided under all-in-one service from 5.3% in 2018 to 4.6% in 2019, and further to 3.9% in 2020. Such decrease was primarily because (a) the traffic acquisition costs for purchasing user traffic from top online media platforms increased, which was

in line with industry norm and the historical market trend; and (b) we have incurred additional costs, including staff costs, for short video production in order to satisfy our advertiser customers' demand.

The increase in traffic acquisition costs was primarily attributable to the reduction of rebates granted to us by the online media platforms, in particular, the online short video platforms, as a result of their increasing bargaining power, which is in line with their rapid development during the Track Record Period, in particular, for the period from 2018 to 2020 where the online short video marketing market experienced a significant growth at a CAGR of 147.3%. In 2018, 2019 and 2020 and the four months ended April 30, 2021, our traffic acquisition costs net of rebates amounted to RMB1,019.9 million, RMB3,171.7 million, RMB5,935.0 million and RMB2,035.3 million, respectively. For the same periods, rebates we generated from online media platforms accounted for 25.2%, 18.5%, 14.7% and 16.0% of our total revenue, respectively. The increase in traffic acquisition costs net of rebates was primarily due to our business expansion and in line with our increase in revenue. However, the increase in our traffic acquisition costs net of rebates was higher than that of the increase in revenue from 2018 to 2020, which was primarily due to the decrease in rate of rebate generated as explained above.

Going forward, we expect our profitability will be improved by further expansion of our business with reducing costs as a result of our continuous efforts to streamline the working process and improve delivery efficiency of our online marketing solutions.

Furthermore, our gross profit margin increased from 4.9% for the four months ended April 30, 2020 to 5.5% for the four months ended April 30, 2021. Such increase in gross profit margin was mainly due to (i) the increase in our revenue generated from advertisement distribution service with a gross profit margin of 100.0% attributable to the increase in customers' demand on marketing their products and services on information feeds platforms and major search engine platform; and (ii) comparatively more rebate received from certain online media platforms for the four months ended April 30, 2021, which was primarily in relation to the extra rebates granted by online media platform based on its commercial considerations. To the understanding of our Directors, certain online media platforms grant discretionary incentive rebates so as to increase their competitiveness against other major online media platforms who have leading roles in respective sectors.

The following table sets forth a breakdown of our gross profit and gross profit margin by advertiser customer type for the periods indicated:

	Year Ended December 31,						Four months ended April 30,			
	2018		2019		2020		2020		2021	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000) (unaudited)	%	(RMB'000)	%
Direct advertisers	65,843	5.9	163,941	4.9	259,563	4.1	50,288	3.5	68,539	3.1
Advertising agencies	40,812	100.0	75,315	100.0	65,818	100.0	20,713	100.0	52,261	100.0
Total	106,655	9.2	239,256	6.9	325,381	5.1	71,001	4.9	120,800	5.5

During the Track Record Period, we primarily provided all-in-one online marketing solution service to our direct advertisers, the revenue of which was recognized under gross method. The gross profit margin of our online marketing solutions provided to direct advertisers decreased from 5.9% in 2018 to 4.1% in 2020 which was primarily because (i) the traffic acquisition costs for purchasing user traffic from top online media platforms increased which led to a lower gross profit margin; and (ii) we have incurred additional costs, including staff costs, for short video production in order to satisfy our advertiser customers' requests. Our gross profit margin decreased from 3.5% for the four months ended April 30, 2020 to 3.1% for the four months ended April 30, 2021, which was primarily due to the increase in employee benefit expenses so as to enhance our short video production capabilities. According to iResearch, online marketing solution providers whose businesses are directly comparable to ours are exposed to the similar fluctuation of traffic acquisition costs, however the fluctuation of gross profit margin recorded by them will still be subject to a number of factors which vary from an enterprise to another, such as the mix of online media platforms the online marketing solutions provider uses, the mix of advertisements it is requested to place and what other costs are incurred by the enterprise in carrying out its business. We provided advertisement distribution services to advertising agencies, the revenue of which was recognized under net methods and the gross profit margin of which remained stable during the Track Record Period.

Other Income

Our other income primarily consists of government grants, investment income on wealth management products, value-added tax additional deduction and others. The following table sets forth a breakdown of our other income for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (unaudited)	(RMB'000)
Government grants	–	3,459	2,595	8	29
Investment income on wealth management products	535	1,533	870	403	317
Value-added tax additional deduction	–	1,680	–	–	26,000
Others	–	247	51	–	289
Total	535	6,919	3,516	411	26,635

Government grants primarily comprise of grants from high-end industry agglomeration policy funds (高端產業集聚政策資金) and grants in relation to financing activities. The grants from high-end industry agglomeration policy funds were given on a one-off basis and at the discretion of the local government authorities based on the Company's contribution to fiscal revenue of the local government. Grants in relation to financing activities were given at the discretion of the local government authorities on the condition that the Company is recognised as a cultural and creative enterprise and the Company has raised finance from banks. As the government grants were granted in a non-recurring basis, we may not be granted relevant government grant in future, for details, please refer to "Risk Factors — Risks Relating to Our Business and Industry — Any discontinuation or change in preferential tax treatment or government grants that currently are or may be available to us in the future could materially and adversely affect our business, financial condition and results of operations." In addition, pursuant to the 'Announcement on Relevant Policies for Deepening the Value-added Tax Reform' (Cai Shui Haiguan [2019] 39) jointly issued by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs, the Group's subsidiary Uju Beijing, as a modern service company, qualifies for additional 10% deduction of input VAT from output VAT from April 1, 2019 to December 31, 2021. The value-added tax additional deduction of RMB26.0 million was recognised as other income when its incurred for the four months ended April 30, 2021.

Selling Expenses

Our selling expenses primarily consists of employee benefit expenses and travelling expenses. The following table set forth a breakdown of our selling expenses for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (unaudited)	(RMB'000)
Employee benefit expenses	7,610	8,511	13,441	3,925	8,416
Depreciation and amortization expenses	399	676	618	121	200
Office expenses	99	76	160	44	35
Travelling expenses	4,273	7,125	4,029	783	568
Others	1,207	1,871	549	416	32
Total	**13,588**	**18,259**	**18,797**	**5,289**	**9,251**

Our selling expenses increased by 34.4% from approximately RMB13.6 million in 2018 to RMB18.3 million in 2019, and further increased by 2.9% to RMB18.8 million in 2020, primarily attributable to the increase in employee benefit expenses and travelling expenses, reflecting the rapid development of our business. The increase in selling expenses in 2020 was slower than that in 2019, primarily due to the decrease in travelling expenses as a result of the spread of COVID-19. Our selling expenses increased by 74.9% from RMB5.3 million for the four months ended April 30, 2020 to RMB9.3 million for the four months ended April 30, 2021, primarily attributable to an increase in employee benefit expenses attributable to the increase in the number of our employees.

General and Administrative Expenses

Our general and administrative expenses primarily consist of (i) employee benefit expenses; (ii) professional service fees; (iii) office expenses; (iv) depreciation and amortization expenses; (v) travelling expenses; and (vi) [**REDACTED**]. The following table sets forth a breakdown of our general and administrative expenses for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (unaudited)	(RMB'000)
Employee benefit expenses	15,495	22,204	30,802	8,050	8,837
Depreciation and amortization expenses	556	1,208	1,956	536	1,508
Professional service fees	267	2,670	4,189	1,065	1,976
Office expenses	696	1,140	3,031	335	1,441
Travelling expenses	598	706	480	41	140
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	1,804	481	1,315	121	665
Total	**19,416**	**28,409**	**44,678**	**10,148**	**25,320**

Our general and administrative expenses increased by 46.3% from approximately RMB19.4 million in 2018 to RMB28.4 million in 2019, and further increased by 57.3% to RMB44.7 million in 2020, which was attributable to increases in the number of employees and their average compensation level resulting from our rapid business expansion. Our general and administrative expenses increased by 149.5% from approximately RMB10.1 million for the four months ended April 30, 2020 to RMB25.3 million for the four months ended April 30, 2021, primarily attributable to (i) an increase in employee benefit expenses, depreciation and amortization expenses and office expenses attributable to the business growth; and (ii) an increase in professional service fees.

Research and development expenses

Our research and development expenses primarily comprise of expense incurred for engaging third-party software development services providers. We only started to record research and development expenses in 2020 taking into account our business were growing significantly in 2018 and 2019. With increasing number of customers served and the business operating level has increased, we consider investing in research and development of advance technologies would enhance our operating efficiency. Our research and development expenses recorded RMB4.4 million for the year ended December 31, 2020, and RMB3.3 million and RMB1.5 million for the four months ended April 30, 2020 and 2021, respectively.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets comprised of provision for impairment losses on accounts receivables and other receivables. The following table sets forth a breakdown of our net impairment losses on financial assets for the years indicated:

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (unaudited)	(RMB'000)
Provision for impairment losses					
– Accounts receivables	215	77,317	53,606	26,826	7,994
– Other receivables	711	176	138	100	217
Total	926	77,493	53,744	26,926	8,211

For the years ended December 31, 2018, 2019, 2020 and the four months ended April 30, 2020 and 2021, we recognized net impairment losses on financial assets of RMB0.9 million, RMB77.5 million, RMB53.7 million, RMB26.9 million and RMB8.2 million, respectively. For customers with regular payments, we generally assess the expected credit loss by referring to, among others, the historical credit loss experience, economic conditions, the accounts receivables aging and expected credit loss rate. We also make specific provision for specific customers that we has identified with financial difficulties. The increase in net impairment loss on financial assets from 2018 to 2019 was primarily due to the continuous growth of our business and the increased balance of accounts receivables. We also made significant specific provision in 2019 and 2020 for individual customers.

Finance Costs, Net

Our finance income primarily consist of interest income from bank deposit. Our finance costs primarily consist of (i) interest expenses on bank borrowings; (ii) interest expenses from factoring borrowings; (iii) interest expenses on borrowings from related parties; (iv) discount of bank acceptance bills; (v) interest expenses on borrowings from third parties; and (vi) interest expenses on lease liabilities. The following table sets forth a breakdown of our finance costs for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (unaudited)	(RMB'000)
Finance income:					
Interest income from bank deposits	222	262	220	49	118
Others	–	–	35	–	–
Finance income	222	262	255	49	118
Finance costs:					
Interest expenses on					
– bank borrowings	(334)	(5,033)	(3,864)	(1,363)	(1,722)
– factoring borrowings	–	(892)	(14,656)	(4,606)	(2,853)
– borrowings from third parties	(638)	(243)	(3,021)	(361)	(3,417)
– borrowings from related parties	(2,972)	(3,601)	(3,622)	(1,274)	(806)
– discount of bank acceptance bills	(229)	(1,411)	(1,836)	(690)	–
– lease liabilities	(184)	(213)	(687)	(237)	(406)
Finance costs	(4,357)	(11,393)	(27,686)	(8,531)	(9,204)
Finance costs – net	(4,135)	(11,131)	(27,431)	(8,482)	(9,086)

Our net finance costs increased from RMB4.1 million in 2018 to RMB11.1 million in 2019 and further to RMB27.4 million in 2020, primarily due to (i) the increase in interest expenses on factoring borrowings as a result of the increase in the factoring borrowings; and (ii) the increase in interest expenses on bank borrowings, which was to support our increasing spending as a result of the fast growing online short video marketing solutions business. Our net finance costs increased by 7.1% from RMB8.5 million for the four months ended April 30, 2020 to RMB9.1 million for the four months ended April 30, 2021, primarily attributable to the increase in interest expenses on borrowings from third

parties which was to support our increased spending as a result of the fast growing online short video marketing solutions business. For details of our borrowings from third parties, see "— Indebtedness and Contingent Liabilities" in this section.

The discounts of bank acceptance bills represents the relevant discounts arising from discounting arrangements in respect of the bank acceptance bills from one of our major customers.

Income Tax Expense

Our income tax expense consists of current income tax and deferred tax. The following table sets forth a breakdown of our income tax expense for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (unaudited)	(RMB'000)
Current income tax	19,947	48,103	64,821	11,800	22,545
Deferred income tax	(1,187)	(19,815)	(19,802)	(7,330)	2,875
Income tax expense	**18,760**	**28,288**	**45,019**	**4,470**	**25,420**

We are incorporated as an exempted company with limited liability under the Companies Act of the Cayman Islands and therefore not subject to Cayman Islands income tax. Additionally, entities incorporated in Hong Kong are subject to Hong Kong profit tax at 16.5% on the assessable profits up to April 1, 2018. When the two-tiered profits tax regime took effect on April 1, 2018, the applicable Hong Kong profit tax rate is 8.25% on assessable profits of the first HK$2 million and 16.5% on any assessable profits in excess of HK$2 million. No provision for Hong Kong profits tax has been made during the Track Record Period as we did not generate any assessable profits arising in Hong Kong.

The income tax provision of our Group in respect of its operations in the PRC was subject to statutory tax rate of 25% on the assessable profits for the Track Record Period, except for Qingdao Uju, which enjoys a corporate income tax rate of 20% as a small and low-profit enterprise, and Hainan Uju, which enjoys the preferential corporate income tax rate of 15%. See "Regulatory Overview — Law and Regulations Relating to Taxation" for further details of our taxation.

Our effective income tax rate was 27.2%, 25.7%, 25.3%, 26.2% and 27.0% for the years ended December 31, 2018, 2019, 2020 and the four months ended April 30, 2020 and 2021, respectively. During the Track Record Period and up to the Latest Practicable Date, we had no disputes or unresolved tax issues with the relevant tax authorities.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Four months Ended April 30, 2021 Compared to four months Ended April 30, 2020

Revenue

Our revenue increased by 53.6% to RMB2,214.2 million for the four months ended April 30, 2021 from RMB1,441.3 million for the four months ended April 30, 2020, primarily due to (i) the increases in the number of advertiser customers and their average spending, reflecting the fast development of our online short video marketing solutions business in line with the rapid industry growth. The number of our advertiser customers increased from 565 for the four months ended April 30, 2020 to 651 for the four months ended April 30, 2021, and the average revenue generated by each advertising customers, which is measured by the total revenue divided by the total number of our advertiser customers, increased from RMB2.6 million to RMB3.4 million for the same period; and (ii) we improved our channel resources by deepening our cooperation with Supplier A and establishing business cooperation with additional top online media platforms, thereby attracting more advertising customers.

Cost of Services

Our cost of services increased by 52.8% to RMB2,093.4 million for the four months ended April 30, 2021 from RMB1,370.3 million for the four months ended April 30, 2020, primarily due to (i) a significant increase in traffic acquisition and monitoring costs as a result of our fast growing online short video marketing solutions business; and (ii) an increase in employee benefit expenses attributable to the increase in the number of our employees, due to our business expansion.

Gross Profit and Gross Profit Margin

As a result of foregoing, our gross profit increased by 70.1% to RMB120.8 million for the four months ended April 30, 2021 from RMB71.0 million for the four months ended April 30, 2020. Furthermore, our gross margin increased from 4.9% for the four months ended April 30, 2020 to 5.5% for the four months ended April 30, 2021. Such increase in gross profit margin was mainly due to (i) the increase in our revenue generated from advertisement distribution service with a gross profit margin of 100.0% attributable to the increase in customers' demand on marketing their products and services on information feeds platforms and major search engine platform; and (ii) comparatively more rebate received from certain online media platforms for four months ended April 30, 2021, which was primarily in relation to the extra rebates granted by our media platform based on its commercial considerations, which to the understanding of our Directors, certain online media platforms grant discretionary incentive rebates so as to increase their competitiveness against other major online media platforms who have leading roles in respective sectors. Such increase was partially offset by the increase in staff cost.

Other Income

Our other income increased significantly to RMB26.6 million for the four months ended April 30, 2021 from RMB0.4 million for the four months ended April 30, 2020, primarily due to the fact that the value-added tax additional deduction was recognised as other income since our Group's subsidiary Uju Beijing is a modern services companies, qualifying for additional 10% deduction of input VAT from output VAT.

Selling Expenses

Our selling expenses increased by 74.9% to RMB9.3 million for the four months ended April 30, 2021 from RMB5.3 million for the four months ended April 30, 2020, primarily due to an increase in employee benefit expenses attributable to the increase in the number of our employees attributable to the business growth.

General and Administrative Expenses

Our general and administrative expenses increased by 149.5% from RMB10.1 million for the four months ended April 30, 2020 to RMB25.3 million for the four months ended April 30, 2021, primarily due to (i) an increase in employee benefit expenses, depreciation and amortization expenses and office expenses attributable to the business growth; and (ii) an increase in professional service fees.

Research and Development Expenses

Our research and development expenses decreased by 55.2% to RMB1.5 million for the four months ended April 30, 2021 from RMB3.3 million for the four months ended April 30, 2020, primarily because we built our own R&D team in the four months ended April 30, 2021 to upgrade and maintain our U-Engine platform, as compared to the same period in 2020 when we engaged third-party service providers for the development of our U-Engine platform.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets decreased by 69.5% from RMB26.9 million for the four months ended April 30, 2020 to RMB8.2 million for the four months ended April 30, 2021, primarily because we made less general provision and specific provision for customers with specific risk for four months ended April 30, 2021, as compared to four months ended April 30, 2020.

Finance Costs, Net

Our net finance costs increased by 7.1% to RMB9.1 million for the four months ended April 30, 2021 from RMB8.5 million for the four months ended April 30, 2020, primarily due to the increase in interest expenses from borrowings from third parties, which was to support our increasing spending as a result of the fast growing online short video marketing solutions business.

Income Tax Expense

Our income tax expenses increased by 468.7% to RMB25.4 million for the four months ended April 30, 2021 from RMB4.5 million for the four months ended April 30, 2020, primarily due to an increase in current income tax as a result of rapid growth in our profit before tax as a result of the foregoing.

Profit for the Period

As a result of the foregoing, our profit for the period increased by 445.0% to RMB68.6 million for the four months ended April 30, 2021 from RMB12.6 million for the four months ended April 30, 2020. Our net profit margin, which represents profit for the period as a percentage of revenue, increased to 3.1% for the four months ended April 30, 2021 from 0.9% for the four months ended April 30, 2020.

YEAR TO YEAR COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2020 Compared to Year Ended December 31, 2019

Revenue

Our revenue increased by 84.3% to RMB6,360.7 million for the year ended December 31, 2020 from RMB3,450.9 million for the year ended December 31, 2019, primarily due to (i) the increases in the number of advertiser customers and their average spending, reflecting the fast development of our online short video marketing solutions business in line with the rapid industry growth. The number of our advertising customers increased from 757 for the year ended December 31, 2019 to 1,028 for the year ended December 31, 2020, and the average revenue generated from each advertising customer, which is measured by the total revenue divided by the total number of our advertiser customers, increased from RMB4.6 million to RMB6.2 million for the same period. In particular, the total number of our advertiser customers with gross billing of over RMB10,000,000 on our online marketing solutions increased from 71 for the year ended December 31, 2019 to 97 for the year ended December 31, 2020, and the retention rate of such advertiser customers was 90% in 2020. The total number of our advertiser customers with gross billing of over RMB50,000,000 on our online marketing solutions increased from 22 for the year ended December 31, 2019 to 34 for the year ended December 31, 2020, and the retention rate of such customers was 95% in 2020. In addition, in 2020, the net dollar extension rates (an indicator of our ability of growing additional revenue from the retained customers) for our advertiser customers with gross billing of over RMB10,000,000 and RMB50,000,000 on our online marketing solutions were 34.7% and 34.1%, respectively; (ii) our transaction volume with Customer A significantly increased primarily because Customer A placed a substantial increasing marketing budget on us to market its products and services on online short video platforms, especially the second largest online short video platforms in China, which was in line with the growth of the market share of online short video marketing, in terms of the percentage of market size of online marketing market, from 0.1% in 2015 to 24.1% in 2020 according to iResearch; and (iii) we improved our channel resources by deepening our cooperation with Supplier A and establishing business cooperation with additional top online media platforms, thereby attracting more

advertising customers. For details of our relationship with top customers and suppliers, see "Business — Top Customers and Suppliers".

Cost of Services

Our cost of services increased by 87.9% to RMB6,035.3 million for the year ended December 31, 2020 from RMB3,211.6 million for the year ended December 31, 2019, primarily due to (i) a significant increase in traffic acquisition and monitoring costs as a result of our fast growing online short video marketing solutions business; and (ii) an increase in employee benefit expenses attributable to the increase in the number of our employees, which was in line with our business expansion.

Gross Profit and Gross Profit Margin

As a result of foregoing, our gross profit increased by 36.0% to RMB325.4 million for the year ended December 31, 2020 from RMB239.3 million for the year ended December 31, 2019. Our gross profit margin decreased to 5.1% for the year ended December 31, 2020 from 6.9% for the year ended December 31, 2019, primarily due to (i) an increasing proportion of revenue recognized under all-in-one service, which recorded a lower profit margin as compared to that of advertisement distribution service, from 97.6% in 2019 to 98.7% in 2020 as a result of the rapid development and growth in our business cooperation with direct advertisers; and (ii) the decrease in the gross profit margin of our services provided under all-in-one service from 4.6% in 2019 to 3.9% in 2020. Such decrease was primarily because (i) the traffic acquisition costs for purchasing user traffic from top online media platforms increased, which was in line with industry norm and the historical market trend; and (ii) we have incurred additional costs, including staff costs, for short video production in order to satisfy our advertiser customers' demand. According to iResearch, online marketing solution providers whose businesses are directly comparable to ours are exposed to the similar fluctuation of traffic acquisition costs, however the fluctuation of gross profit margin recorded by them will still be subject to a number of factors which vary from an enterprise to another, such as the mix of online media platforms the online marketing solutions provider uses, the mix of advertisements it is requested to place and what other costs are incurred by the enterprise in carrying out its business.

Other Income

Our other income decreased by 49.2% to RMB3.5 million for the year ended December 31, 2020 from RMB6.9 million for the year ended December 31, 2019, primarily due to (i) a decrease of RMB0.9 million in government grants; and (ii) the one-off VAT rebates received in 2019.

Selling Expenses

Our selling expenses slightly increased to RMB18.8 million for the year ended December 31, 2020 from RMB18.3 million for the year ended December 31, 2019, primarily due to an increase in employee benefit expenses attributable to the increase in the number of our employees, partially offset by the decrease in travelling expenses. The decrease in travelling expenses was primarily due to the decrease in our spending on marketing promotion and customer relationship maintenance and management events as a result of the spread of COVID-19.

General and Administrative Expenses

Our general and administrative expenses increased by 57.3% to RMB44.7 million for the year ended December 31, 2020 from RMB28.4 million for the year ended December 31, 2019, primarily due to (i) an increase in employee benefit expenses, attributable to the increase in the number of our employees, and office expenses, which was in line with the rapid development of our business; and (ii) an increase in professional service fees.

Research and Development Expenses

Our research and development expenses increased significantly to RMB4.4 million for the year ended December 31, 2020 from nil for the year ended December 31, 2019, primarily due to our spending in the research and development activities and upgrading of our U-Engine platform.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets decreased by 30.6% from RMB77.5 million for the year ended December 31, 2019 to RMB53.7 million for the year ended December 31, 2020, primarily because we made more specific provisions for customers with specific credit risks in 2019 as compared to 2020.

Finance Costs, Net

Our net finance costs increased significantly to RMB27.4 million for the year ended December 31, 2020 from RMB11.1 million for the year ended December 31, 2019, primarily due to (i) the increase in interest expenses from factoring borrowings; and (ii) the increase in interest expenses from borrowings from third parties, which was to support our increasing spending as a result of the fast growing online short video marketing solutions business.

Income Tax Expense

Our income tax expenses increased by 59.1% to RMB45.0 million for the year ended December 31, 2020 from RMB28.3 million for the year ended December 31, 2019, primarily due to an increase in current income tax as a result of rapid profit growth. Our effective income tax rate remained relatively stable for the years ended December 31, 2019 and 2020.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 62.6% to RMB133.2 million for the year ended December 31, 2020 from RMB81.9 million for the year ended December 31, 2019. Our net profit margin, which represents profit for the year as a percentage of revenue, decreased to 2.1% for the year ended December 31, 2020 from 2.4% for the year ended December 31, 2019.

Year Ended December 31, 2019 Compared to Year Ended December 31, 2018

Revenue

Our revenue increased significantly to RMB3,450.9 million for the year ended December 31, 2019 from RMB1,156.3 million for the year ended December 31, 2018, primarily due to (i) the increase in the number of advertiser customers and their average spending, reflecting the fast development of our online short video marketing solutions business which was in line with the rapid industry growth. The number of our advertising customers increased from 484 for the year ended December 31, 2018 to 757 for the year ended December 31, 2019, and the average revenue generated by each advertising customer, which is measured by the total revenue divided by the total number of our advertiser customers, increased from RMB2.4 million to RMB4.6 million for the same period. In particular, the total number of our advertiser customers with gross billing of over RMB10,000,000 on our online marketing solutions increased from 38 for the year ended December 31, 2018 to 71 for the year ended December 31, 2019, and the retention rate of such advertiser customers was 92% in 2019. The total number of our advertiser customers with gross billing of over RMB50,000,000 on our online marketing solutions increased from 6 for the year ended December 31, 2018 to 22 for the year ended December 31, 2019, and the retention rate of such customers was 100% in 2019. In addition, in 2019, the net dollar extension rates (an indicator of our ability of growing additional revenue from the retained customers) for our advertiser customers with gross billing of over RMB10,000,000 and RMB50,000,000 on our online marketing solutions were 50.7% and 64.7%, respectively; (ii) our transaction volume with Customer A significantly increased primarily because our business relationship with Customer A was enhanced in 2019 after our establishment of business relationship with Customer A in 2018 and Customer A increased their budget on us to marketing their products and services on online short video platforms; and (iii) we improved our channel resources by deepening our cooperation with Supplier A, thereby attracting more advertising customers.

Cost of Services

Our cost of services increased significantly to RMB3,211.6 million for the year ended December 31, 2019 from RMB1,049.6 million for the year ended December 31, 2018, primarily due to (i) a significant increase in traffic acquisition and monitoring costs as a result of our fast growing online short video marketing solutions business; and (ii) an increase in employee benefit expenses attributable to the increase in the number of our employees, which was in line with our fast business expansion.

Gross Profit and Gross Profit Margin

As a result of foregoing, our gross profit increased significantly to RMB239.3 million for the year ended December 31, 2019 from RMB106.7 million for the year ended December 31, 2018. Our gross profit margin decreased to 6.9% for the year ended December 31, 2019 from 9.2% for the year ended December 31, 2018, primarily due to (i) an increase in the proportion of revenue recognized under all-in-one service, which recorded a lower profit margin as compared to that of advertisement distribution service, from 95.9% in 2018 to 97.6% in 2019 as a result of the rapid development and growth of our business cooperation with direct advertisers; and (ii) the decrease in the gross profit margin of our services provided under all-in-one service from 5.3% in 2018 to 4.6% in 2019. Such decrease was primarily because (i) the traffic acquisition costs for purchasing user traffic from top online media platforms increased, which was in line with industry norm and the historical market trend; and (ii) we have incurred additional costs, including staff costs, for short video production in order to satisfy our advertiser customers' demand. According to iResearch, online marketing solution providers whose businesses are directly comparable to ours are exposed to the similar fluctuation of traffic acquisition costs, however the fluctuation of gross profit margin recorded by them will still be subject to a number of factors which vary from an enterprise to another, such as the mix of online media platforms the online marketing solutions provider uses, the mix of advertisements it is requested to place and what other costs are incurred by the enterprise in carrying out its business.

Other Income

Our other income increased significantly to RMB6.9 million for the year ended December 31, 2019 from RMB0.5 million for the year ended December 31, 2018, primarily due to (i) the occurrence of RMB3.5 million of government grants in 2019; and (ii) an increase of RMB1.7 million in VAT additional deduction; and (iii) an increase of RMB1.0 million in investment income from our wealth management products.

Selling Expenses

Our selling expenses increased by 34.4% to RMB18.3 million for the year ended December 31, 2019 from RMB13.6 million for the year ended December 31, 2018, primarily due to an increase in employee benefit expenses, travelling expenses and marketing promotion expenses, reflecting the rapid development of our business.

General and Administrative Expenses

Our general and administrative expenses increased by 46.3% to RMB28.4 million for the year ended December 31, 2019 from RMB19.4 million for the year ended December 31, 2018, primarily due to an increase in employee benefit expenses attributable to the increase in the number of our employees, which was in line with the rapid development of our business.

Research and Development Expenses

We did not incur any research and development expenses for the years ended December 31, 2018 and 2019.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets increased significantly from RMB0.9 million for the year ended December 31, 2018 to RMB77.5 million for the year ended December 31, 2019, primarily due to the continuous growth of our business, the increased balance of accounts receivables and specific provisions made for customers with specific credit risks as we enlarged our customer base.

Finance Costs, Net

Our net finance costs increased significantly to RMB11.1 million for the year ended December 31, 2019 from RMB4.1 million for the year ended December 31, 2018, primarily due to (i) the increase in interest expenses from factoring borrowings; and (ii) an increase in interest expenses from bank borrowings, which was to support the increasing spending as a result of our fast-growing online short video marketing solutions business.

Income Tax Expense

Our income tax expenses increased by 50.8% to RMB28.3 million for the year ended December 31, 2019 from RMB18.8 million for the year ended December 31, 2018, primarily due to an increase in current income tax as a result of rapid profit growth. Our effective income tax rate was 27.2% and 25.7% for the years in 2018 and 2019, which was relative stable.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 63.4% to RMB81.9 million for the year ended December 31, 2019 from RMB50.1 million for the year ended December 31, 2018. Our net profit margin, which represents profit for the year as a percentage of revenue, decreased to 2.4% for the year ended December 31, 2019 from 4.3% for the year ended December 31, 2018.

LIQUIDITY AND CAPITAL RESOURCES

Our business operations and expansion plans require a significant amount of capital, including acquiring user traffic from online media, enhancing our content production capabilities, improving our big data analytics capabilities, upgrading the U-Engine platform as well as other working capital requirements. Historically, we financed our capital expenditure and working capital requirements mainly through cash generated from operations, bank and other borrowings, and capital contributions from our shareholders. As of December 31, 2018, 2019, 2020 and April 30, 2021, we had cash and cash equivalents of RMB9.8 million, RMB59.2 million, RMB130.2 million and RMB70.3 million, respectively, consisting of cash at bank and in hand.

Consolidated Statements of Cash Flows

The following table sets forth a summary of our cash flows during the Track Record Period:

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (unaudited)	(RMB'000)
Cash flows from operating activities					
Cash (used in)/generated from operations	(45,409)	(151,884)	214,273	47,289	(263,748)
Interest received	222	262	220	49	115
Income tax paid	(1,938)	(14,626)	(34,184)	(6,252)	(22,848)
Net cash (used in)/generated from operating activities	(47,125)	(166,248)	180,309	41,086	(286,481)
Net cash (used in)/generated from investing activities	(41,091)	34,200	(5,652)	(90,934)	(81,152)
Net cash generated from/(used in) financing activities	97,497	181,406	(103,670)	30,609	306,402
Net increase/(decrease) in cash and cash equivalents	9,281	49,358	70,987	(19,239)	(61,231)
Cash and cash equivalents at beginning of the year	529	9,810	59,168	59,168	130,155
Exchange gains on cash and cash equivalents	–	–	–	–	1,343
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	9,810	59,168	130,155	39,929	70,267

Operating Activities

We derive our cash inflow from operating activities primarily through provision of online short video marketing solutions business. Cash outflow from operating activities primarily comprises traffic acquisition and monitoring costs, employee benefit expenses, and other operating expenses. Our cash from operating activities reflects our profit before taxation, adjusted for non-cash or non-operating items, such as deprecation of right-of-use assets and property, plant and equipment, net impairment losses on financial assets, net finance cost, loss on disposal of property, plant and equipment, investment income on financial assets at FVTPL, share-based compensation expenses, and the changes in working capital, including the changes in accounts receivables, prepayments, deposits and other receivables, financial assets at FVOCI, accounts payables, other payables and accruals as well as contract liabilities.

Our net cash used in operating activities was RMB286.5 million for the four months ended April 30, 2021. This net cash outflow was primarily attributable to our profit before income tax of RMB94.1 million, as adjusted for (i) non-cash or non-operating items, which primarily included net impairment losses on financial assets of RMB8.2 million, finance costs, net of RMB9.1 million, depreciation of right-of-use assets of RMB3.0 million; (ii) changes in working capital, which primarily comprised of the (a) increase in accounts receivables of RMB94.8 million; (b) decrease in accounts payables of RMB222.2 million; (c) decrease in other payables and accruals of RMB32.2 million; (d) increase in contract liabilities of RMB7.3 million; (e) increase in prepayments, deposits and other receivables of RMB127.1 million; and (f) decrease in financial assets at FVOCI of RMB2.2 million; and (iii) income tax paid of RMB22.8 million.

Our net cash generated from operating activities was RMB180.3 million for the year ended December 31, 2020. This net cash inflow was primarily attributable to our profit before income tax of RMB178.2 million, as adjusted for (i) non-cash or non-operating items, which primarily included net impairment losses on financial assets of RMB53.7 million, finance costs, net of RMB27.4 million, depreciation of right-of-use assets of RMB5.0 million; (ii) changes in working capital, which primarily comprised of the (a) increase in accounts receivables of RMB704.4 million; (b) increase in accounts payables of RMB588.4 million; (c) increase in other payables and accruals of RMB148.6 million; (d) increase in contract liabilities of RMB37.2 million; (e) increase in prepayments, deposits and other receivables of RMB66.8 million; and (f) decrease in financial assets at FVOCI of RMB31.9 million; and (iii) income tax paid of RMB34.2 million.

Our net cash used in operating activities was RMB166.2 million for the year ended December 31, 2019. This net cash outflow was primarily attributable to our profit before income tax of RMB110.2 million, as adjusted for (i) non-cash or non-operating items, which primarily included net impairment losses on financial assets of RMB77.5 million, finance costs, net of RMB11.1 million, depreciation of right-of-use assets of RMB3.0 million, and investment income on financial assets at FVTPL of RMB1.5 million; (ii) changes in working capital, which primarily comprised of the (a) increase in accounts receivables of RMB700.0 million; (b) increase in accounts payables of RMB442.8 million; (c) increase in prepayments, deposits and other receivables of RMB90.1 million; (d) increase in contract liabilities of RMB16.7 million; (e) increase in other payables and accruals of RMB11.1 million; and (f) increase in financial assets at FVOCI of RMB32.7 million; and (iii) income tax paid of RMB14.6 million.

Our net cash used in operating activities was RMB47.1 million for the year ended December 31, 2018. This net cash outflow was primarily attributable to our profit before income tax of RMB68.9 million, as adjusted for (i) non-cash or non-operating items, which primarily included finance costs, net of RMB4.1 million, depreciation of right-of-use assets of RMB1.7 million, share-based compensation expenses of RMB3.5 million and net impairment losses on financial assets of RMB0.9 million; and (ii) changes in working capital, which primarily comprised of the (a) increase in accounts receivables of RMB535.6 million; (b) increase in accounts payables of RMB444.3 million; (c) increase in prepayments, deposits and other receivables of RMB131.3 million; (d) increase in other payables and accruals of RMB153.1 million; (e) increase in contract liabilities of RMB14.5 million; and (f) increase in financial assets at FVOCI of RMB69.4 million; and (iii) income tax paid of RMB1.9 million.

Investing Activities

Our cash used in investing activities mainly reflects our cash used in purchase of property, plant and equipment, purchases of financial assets and loans to related parties and third parties. Our cash generated from investing activities mainly comprises of proceeds from disposal of financial asset and repayment of loans from related parties and third parties.

Our net cash used in investing activities was RMB81.2 million for the four months ended April 30, 2021. This net cash outflow was primarily attributable to purchase of financial assets at FVTPL of RMB145.0 million, partially offset by the proceeds from disposal financial assets at FVTPL of RMB65.3 million.

Our net cash used in investing activities was RMB5.7 million for the year ended December 31, 2020. This net cash outflow was primarily due to (i) purchases of property, plant and equipment of RMB9.6 million; (ii) purchases of financial assets at FVTPL of RMB1,854.7 million; and (iii) loans to a third party of RMB8.0 million. This net cash outflow was partially offset by (i) proceeds from sale of financial assets at FVTPL of RMB1,855.5 million; (ii) repayment of loans from key management personnel and staff of RMB3.0 million; and (iii) repayment of loans to a third party of RMB8.0 million.

Our net cash generated from investing activities was RMB34.2 million for the year ended December 31, 2019. This net cash inflow was primarily due to (i) proceeds from sale of financial assets at FVTPL of RMB2,307.3 million. This net cash inflow was partially offset by (i) purchase of property, plant and equipment of RMB3.5 million; (ii) purchase of financial assets at FVTPL of RMB2,267.5 million; and (iii) loans to key management personnel and staff of RMB2.1 million.

Our net cash used in investing activities was RMB41.1 million for the year ended December 31, 2018. This net cash outflow was primarily due to (i) purchase of property, plant and equipment of RMB1.3 million; (ii) purchase of financial assets at FVTPL of RMB663.2 million; (iii) loans to a related party of RMB6.5 million; and (iv) loans to key management personnel and staff of RMB2.0 million. This net cash outflow was partially offset by (i) proceeds from sale of financial assets at FVTPL of RMB625.4 million; and (ii) repayment of loans from a related party of RMB6.5 million.

Financing Activities

Cash inflow from financing activities mainly comprises capital injections and borrowings. Our cash outflow in financing activities primarily for repayments of borrowings, interest payment and lease payments.

Our net cash generated from financing activities was RMB306.4 million for the four months ended April 30, 2021. This net cash inflow was primarily attributable to (i) proceeds of capital injection from shareholders of RMB167.3 million; (ii) proceeds from bank and factoring borrowings of RMB860.6 million; and (iii) proceeds from borrowings from third parties of RMB40.0 million, and partially offset by (i) repayment of bank and factoring borrowings of RMB674.3 million; (ii) repayment of borrowings from a related party of RMB56.2 million; (iii) dividends paid of RMB15.7 million; (iv) deemed distribution to shareholders during the Reorganisation of RMB15.3 million; (v) interest paid of RMB8.0 million; and (vi) payment of lease liabilities of RMB3.8 million.

Our net cash used in financing activities was RMB103.7 million for the year ended December 31, 2020. This net cash outflow was primarily due to (i) repayments of bank and factoring borrowings of RMB2,048.5 million; (ii) repayment of borrowings from related parties of RMB18.0 million; (iii) dividends paid to the Company's shareholders of RMB7.1 million; (iv) paid interests of RMB26.7 million; (v) repayment of borrowing from third parties of RMB20.0 million; and (vi) payment of lease liabilities of RMB4.3 million. This net cash outflow was partially offset by (i) proceeds from borrowings of RMB64.0 million; (ii) proceeds from bank and factoring borrowings from third parties of RMB1,955.4 million; and (iii) borrowings from related parties of RMB1.5 million.

Our net cash generated from financing activities was RMB181.4 million for the year ended December 31, 2019. This net cash inflow was primarily due to (i) proceeds from borrowings from third parties of RMB27.0 million; (ii) proceeds from bank and factoring borrowings of RMB715.1 million; and (iii) borrowings from related parties of RMB12.7 million. This net cash inflow was partially offset by (i) repayments of borrowings from third parties of RMB26.0 million; (ii) repayments of bank and factoring borrowings of RMB520.3 million; (iii) interests paid of RMB11.2 million; (iv) repayments of borrowings from related parties of RMB12.2 million; and (v) payment of lease liabilities of RMB3.6 million.

Our net cash generated from financing activities was RMB97.5 million for the year ended December 31, 2018. This net cash inflow was primarily due to (i) proceeds from borrowings from third parties of RMB17.5 million; (ii) proceeds from bank and factoring borrowings of RMB20.0 million; (iii) borrowings from related parties of RMB122.1 million; and (iv) proceeds from capital injection from the Company's shareholders of RMB10.0 million. This net cash inflow was partially offset by (i) repayments of borrowings from third parties of RMB7.5 million; (ii) interests paid of RMB3.3 million; (iii) repayments of borrowings from a related party of RMB59.5 million; and (iv) payment of lease liabilities of RMB1.8 million.

CAPITAL EXPENDITURES AND COMMITMENTS

Our capital expenditures during the Track Record Period primarily consisted of expenditures on property, plant and equipment for office equipment and leasehold improvement. The following table sets forth our capital expenditures for the periods indicated:

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Property, plant and equipment	1,320	3,370	8,051	2,353

We expect that our capital expenditure in 2021 will primarily consist of expenditures on the research and development activities, upgrade of the software and system, and purchase of office equipment. We intend to fund our planned capital expenditures through cash generated from operations and the proceeds from the [**REDACTED**].

Our actual capital expenditures may differ from the amounts set forth above due to various factors, including our future cash flows, results of operations and financial condition, economic conditions in the PRC, the availability of financing on terms acceptable to us and changes in the regulatory environment in the PRC. In addition, we may incur additional capital expenditures from time to time as we pursue new opportunities to expand our business.

Non-Cancellable Leases Commitment

The following table sets forth our non-cancellable lease commitments from lease contracts that have been exempted from recognition of right-of-use assets permitted under IFRS 16 "Leases" as at the dates indicated:

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Within 1 year	86	305	1,183	185
Later than 1 year and not later than 2 years	–	6	970	18
Later than 2 year and not later than 3 years	–	6	91	–
Later than 3 years	–	6	–	–
Total	86	323	2,244	203

NET CURRENT ASSETS

The table below sets forth, as of the dates indicated, our current assets, current liabilities and net current assets:

	As at December 31,			As at April 30,	As at August 31,
	2018	2019	2020	2021	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (unaudited)
Current assets					
Prepayments, deposits and other assets	132,740	223,993	289,014	414,042	358,204
Accounts receivables	535,385	1,158,041	1,808,817	1,895,645	2,044,989
Financial assets at FVOCI	69,319	99,903	66,944	63,721	41,766
Financial assets at FVTPL	38,306	–	–	80,004	147,161
Restricted cash	–	1,105	87,746	233	233
Cash and cash equivalents	9,810	59,168	130,155	70,267	275,362
Total current assets	785,560	1,542,210	2,382,676	2,523,912	2,867,715
Current liabilities					
Accounts payables	444,266	887,099	1,475,505	1,253,246	1,660,269
Other payables and accruals	151,302	187,756	353,579	343,313	355,063
Borrowings	94,413	290,646	225,417	408,440	306,523
Lease liabilities	2,740	3,687	5,383	11,130	9,645
Contract liabilities	16,892	31,282	66,133	75,758	71,547
Current income tax liabilities	18,010	51,487	82,124	81,821	44,523
Total current liabilities	727,623	1,451,957	2,208,141	2,173,708	2,447,570
Net current assets	57,937	90,253	174,535	350,204	420,145

We had net current assets of RMB420.1 million as of August 31, 2021, consisting of current assets of RMB2,867.7 million and current liabilities of RMB2,447.6 million, which represented an increase of RMB69.9 million from our net current assets of RMB350.2 million as of April 30, 2021. This was primarily due to (i) an increase of RMB205.1 million in cash and cash equivalents; (ii) an increase of RMB149.3 million in our accounts receivables due to our business expansion; (iii) an increase of RMB67.2 million in financial assets at FVTPL in relation to the wealth management products we held as at August 31, 2021; and (iv) a decrease of RMB101.9 million in borrowings. This was partially offset by an increase in accounts payables of RMB407.0 million due to our business expansion and correspondence with the seasonal fluctuations in the e-commerce industry.

We had net current assets of RMB350.2 million as of April 30, 2021, consisting of current assets of RMB2,523.9 million and current liabilities of RMB2,173.7 million, which represented an increase of RMB175.7 million from our net current assets of RMB174.5 million as of December 31, 2020. This was primarily due to (i) an increase of RMB86.8 million in accounts receivables due to our business expansion; (ii) an increase of RMB125.0 million in prepayments, deposits and other assets, primarily due to our business expansion and capitalized [**REDACTED**]; (iii) an increase of RMB80.0 million in financial assets at FVTPL in relation to the wealth management products we held at April 30, 2021; and (iv) a decrease of RMB222.3 million in accounts payables reflecting a seasonal fluctuation in our accounts payables correspondence with the seasonal fluctuations in the e-commerce industry. This was partially offset by an increase in borrowings of RMB183.0 million in relation to the increases in bank borrowings, factoring borrowings, borrowings from third parties and borrowings from a related party; (ii) an increase in contract liabilities of RMB9.6 million; and (iii) an increase in lease liabilities of RMB5.7 million.

We had net current assets of RMB174.5 million as of December 31, 2020, consisting of current assets of RMB2,382.7 million and current liabilities of RMB2,208.1 million, which represented an increase of RMB84.3 million from our net current assets of RMB90.3 million as of December 31, 2019. This was primarily due to (i) an increase of RMB650.8 million in accounts receivables due to the business expansion; (ii) an increase of RMB86.6 million in restricted cash; (iii) an increase of RMB71.0 million in cash and cash equivalents; (iv) an increase of RMB65.0 million in prepayments, deposits and other assets; and (v) a decrease of RMB65.2 million in borrowings. This was partially offset by (i) a decrease of RMB33.0 million in financial assets at FVOCI; (ii) an increase of RMB588.4 million in accounts payables in line with the rapid growth of our online short video marketing solutions business; (iii) an increase of RMB165.8 million in other payables and accruals; (v) an increase of RMB34.9 million in contract liabilities; (vi) an increase of RMB30.6 million in current income tax liabilities; and (vii) an increase of RMB1.7 million in current leased liabilities.

We had net current assets of RMB90.3 million as of December 31, 2019, consisting of current assets of RMB1,542.2 million and current liabilities of RMB1,452.0 million, which represented an increase of RMB32.3 million from our net current assets of RMB57.9 million as of December 31, 2018. This was primarily due to (i) an increase of RMB91.3 million in prepayments, deposits and other assets; (ii) an increase of RMB622.7 million in accounts receivables in line with business growth; (iii) an increase of RMB30.6 million in financial assets at FVOCI; (iv) an increase of RMB1.1 million in restricted cash; and (v) an increase of RMB49.4 million in cash and cash equivalents. This was partially offset by (i) a decrease of RMB38.3 million in financial assets at FVTPL; (ii) an increase of RMB442.8 million in accounts payables; (iii) an increase of RMB36.5 million in other payables and accruals; (iv) an increase of RMB14.4 million in contract liabilities; (v) an increase of RMB33.5 million in current income tax liabilities; (vi) an increase of RMB196.2 million in borrowings; and (vii) an increase of RMB0.9 million in lease liabilities.

As of December 31, 2018, we had net current assets of RMB57.9 million, consisting of current assets of RMB785.6 million and current liabilities of RMB727.6 million.

Working Capital Sufficiency

During the Track Record Period, we met our working capital requirements mainly from cash generated from operations, capital injections, borrowings from related parties and bank borrowings.

Taking into account the financial resources available to us, including cash flow from operating activities, cash balance, bank borrowing, unutilized bank facilities, and the estimated net proceeds from the **[REDACTED]**, our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this document.

Other than those disclosed in "— Key Factors Affecting Our Results of Operations", our Directors are not aware of any other factors that would have a material impact on our liquidity. See "Future Plans and Use of Proceeds" for details of the funds necessary to meet our existing operations and to fund our future plans.

CERTAIN BALANCE SHEET ITEMS

Accounts receivables

The following table sets forth our accounts receivables as of the dates indicated:

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Accounts receivables	535,600	1,233,864	1,938,246	2,033,068
Less: credit loss allowance	(215)	(75,823)	(129,429)	(137,423)
Accounts receivables – net	535,385	1,158,041	1,808,817	1,895,645

Accounts receivables mainly represent unsecured and non-interest-bearing balances due from our advertiser customers in relation to our online marketing solutions business.

Our accounts receivables increased significantly by 116.3% to RMB1,158.0 million as of December 31, 2019 from RMB535.4 million as of December 31, 2018, reflecting the rapid growth of our online short video marketing solutions business.

Our accounts receivables increased by 56.2% to RMB1,808.8 million as of December 31, 2020 from RMB1,158.0 million as of December 31, 2019, reflecting a further growth of our online short video marketing solutions business.

Our accounts receivables increased by 4.8% to RMB1,895.6 million as of April 30, 2021 from RMB1,808.8 million as of December 31, 2020, reflecting the rapid growth of our online short video marketing solutions business.

We apply the simplified approach to make provisions for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all accounts receivables. To measure the expected credit losses, the provision rates are based on aging analysis of customers that have similar loss patterns. In addition, our policy for impairment loss on accounts receivables on an individual basis is based on an evaluation of collectability and ageing analysis of the receivables, which requires the use of judgment and estimation. For details, please refer to "— Critical Accounting Policies — Impairment of Accounts Receivables" in this section.

Our expected loss rate for accounts receivables from customers which have been grouped based on similar credit risk characteristics increased from 0.03% as at December 31, 2018 to 3.65% as at December 31, 2019, and further increased to 6.42% as at December 31, 2020 and 6.14% as at April 30, 2021.

As at December 31, 2018, we were in the initial stage of business development and establishing business relationship with reputable customers. There was no explicit indicator of default in accounts receivables identified. Therefore, we calculated the expected credit loss with reference to external credit ratings (such as the probability of default of comparable entities), combining forward-looking factors on macroeconomic that affect the ability of the customers to settle the receivables. As at December 31, 2018, the accounts receivables balance aged over 90 days is predominately attributable to a couple of particular customers. These particular customers had a relatively high credit quality based on reasonable and supportable information available to us (e.g. external credit ratings – as we do not have sufficient historical information). The loss rates for that particular credit rating would be substantially the same for balance less than 90 days or over 90 days. As a result, the loss rates are pretty stable for different time band of accounts receivables as at December 31, 2018.

Our credit loss allowance increased from RMB0.2 million as of December 31, 2018 to RMB75.8 million as of December 31, 2019, primarily because (i) we made specific provisions of approximately RMB54.3 million for customers with financial difficulties; and (ii) our credit loss allowance made for accounts receivables from customers grouped based on similar credit risk characteristics increased, mainly resulting from (a) the increase in our accounts receivables, which was in line with our business expansion; and (b) the higher expected credit loss rate. As we expanded our business, more information became available to us, e.g. historical credit loss experience. Considering the increased aging of our accounts receivables and future economic conditions, the expected credit loss rate has been significantly increased. The aging of accounts receivable increased as we expanded our cooperation with leading e-commerce companies to which we generally grant longer credit period.

Our credit loss allowance increased from RMB75.8 million as of December 31, 2019 to RMB129.4 million as of December 31, 2020, primarily because (i) we made specific provisions of approximately RMB26.7 million for customers with financial difficulties as of December 31, 2020; (ii) our accounts receivables increased in line with our business expansion; and (iii) we further increased the expected credit loss rate for accounts receivables from customers grouped based on similar credit risk characteristics in 2020, considering the impact of the outbreak of COVID-19.

Our credit loss allowance increased from RMB129.4 million as of December 31, 2020 to RMB137.4 million as of April 30, 2021, primarily attributable to the increase in our accounts receivables due to business expansion.

The following table sets forth aging analysis of our accounts receivables, based on invoice date as of the dates indicated:

	As at December 31,			As at April 30,	Subsequently settled as of the Latest Practicable Date	Unsettled as of the Latest Practicable Date
	2018	2019	2020	2021		
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Within 90 days	519,403	1,014,178	1,809,719	1,270,915	1,142,323	128,592
91 days - 180 days	9,101	196,059	48,020	672,839	637,384	35,455
181 days - 270 days	7,096	5,398	15,574	35,929	16,973	18,956
271 days - one year	–	2,179	12,663	1,833	546	1,287
Over one year	–	16,050	52,270	51,552	128	51,424
	535,600	1,233,864	1,938,246	2,033,068	1,797,354	235,714

We generally grant credit terms to our customers ranging from 30 days to 120 days. We seek to maintain strict control over our outstanding accounts receivables, and overdue balances are reviewed regularly by the management.

During the Track Record Period, we either settled most of our traffic acquisition costs with our media partners within 90 days since the transaction dates or prepaid for the user traffic to be acquired from our media partners, while we generally settled with our advertiser customers within 30 to 120 days since the invoice dates or required prepayments for our online short video marketing solutions, which resulted in a mismatch between the timing of payments of traffic acquisition costs and the timing of receipt of revenue from advertiser customers. For the years ended December 31, 2018, 2019, 2020 and the four months ended April 30, 2021, our accounts receivables turnover days were 56 days, 65 days, 65 days and 73 days, respectively. We calculate the accounts receivables turnover days using the average of the opening and closing accounts receivables balances for the year, net of impairment, divided by revenue under gross billing for the year, multiplied by the number of days of the year (365 days for 2018, 2019, 2020 and 120 days for the four months ended April 30, 2021). Our accounts receivables turnover days increased from 56 days in 2018 to 65 days in 2019, primarily due to the increase in revenue generated from leading e-commerce companies to which we generally grant longer credit period. Our accounts receivables turnover days remained relatively stable for 2019 and 2020. Our accounts receivables turnover days increased from 65 days in 2020 to 73 days for the four months ended April 30, 2021, primarily due to large proportion of our revenue generated in the fourth quarter of 2020. For the years ended December 31, 2018, 2019, 2020 and the four months ended April 30, 2021, our cash conversion cycle, calculated as accounts receivables turnover days minus accounts

payables turnover days, was approximately 12 days, 15 days, 13 days and 18 days, respectively. Subsequent to April 30, 2021 and up to the Latest Practicable Date, although only 19.8% of our accounts receivables aging over 180 days as at April 30, 2021 had been subsequently settled, we had made sufficient provisions of RMB76.4 million for the outstanding balance as at April 30, 2021.

We believe that during the Track Record Period, adequate provision has been made for our accounts receivables, on the basis that:

- We closely review the accounts receivables balance and any overdue balances on an ongoing basis and assess the collectability of overdue balances;

- We monitor the subsequent receivables collections and retrospectively reviews the accounting estimate of prior period to identify any material discrepancies; and

- We apply the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all accounts receivables. For accounts receivables due from customers grouped based on similar credit risk characteristics, we calculate the expected credit loss by referring to the historical credit loss experience, combining with the current situation and the forecast of future economic conditions and considering the accounts receivables aging and expected credit loss rate during the lifetime. For accounts receivables due from customers with different credit risks, such as the customers that we have identified with financial difficulties, we apply the individual identification method based on the characteristics of credit risk of each individual balance. We also apply the individual identification method for those customers with external credit ratings available.

According to our internal policies to control credit risk, any default of payment is reported to the management in a timely manner for further action, including ceasing to provide further service and taking legal actions. During the Track Record Period and up to the Latest Practicable Date, we have filed lawsuits against customers who had material defaults seeking to recover overdue payments from customers, with the outstanding amount of RMB109.6 million in total.

For details of our credit policy, see "Business — Risk Management and Internal Control — Credit Risk Management."

As of the Latest Practicable Date, RMB1,797.4 million, or approximately 88.4% of our accounts receivables as of April 30, 2021 were subsequently settled.

Financial assets at FVOCI

The following table sets forth the details of our financial assets at FVOCI during the Track Period Period:

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Accounts receivables	69,319	81,656	66,944	37,858
Bank acceptance bills	–	18,247	–	25,863
	69,319	99,903	66,944	63,721

We have regularly discounted bank acceptance bills as collected from our customers or factored the accounts receivables from a major customer to financial institutions without any right of recourse, to finance our working capital needs.

Pursuant to the factoring arrangements without recourse between us and an affiliated financial institution of Customer B (the "**Financial Institution**"), we can from time to time factor the accounts receivables arising from Customer B to the Financial Institution. Accounts receivables under financial assets at FVOCI represent the ending balance of those accounts receivables with Customer B, which we can factor to the Financial Institution. We entered into such factoring arrangements primarily to improve our liquidity position. Under such arrangements, the Financial Institution purchased our accounts receivables by cash after confirming the validity of the accounts receivables, and Customer B should settle the accounts receivables originally owed to us by paying the Financial Institution directly. Under such arrangements, the risk of non-payment or delay in payment by the debtor of the accounts receivables factored shall be borne by the Financial Institution. The decrease in our FVOCI from December 31, 2020 to April 30, 2021 was primarily due to the repayment from one of our major customers.

As of the Latest Practicable Date, RMB29.3 million, or approximately 46.1% of our financial assets at FVOCI as of April 30, 2021 were subsequently settled.

Financial Assets at FVTPL

The following table sets for the details of our financial assets at FVTPL during the Track Record Period:

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Investments in wealth management products issued by reputable commercial banks	38,306	–	–	80,004

The financial assets at FVTPL as at December 31, 2018 and April 30, 2021 were investment in wealth management products, denominated in RMB, with expected rates of return ranging from 2.15% to 3.10% per annum. Investment returns from these wealth management products were not guaranteed, hence their contractual cash flows did not qualify for solely payments of principal and interest. None of these investments as at December 31, 2018 and April 30, 2021 was past due. Our wealth management products as at April 30, 2021 are redeemable at any time.

We purchased wealth management products as an supplemental mean to improve the utilization of our cash on hand on a short-term basis. We intend to purchase low-risk wealth management products with good liquidity for treasury management purpose in the future. We have established a set of investment policies and internal control measures to achieve reasonable returns on our investments of wealth management products while mitigating our exposure to investment risks. These policies and measures include:

- investments shall be made when we have surplus cash that is not required for our short-term working capital purposes;
- investments shall generally be short-term and of a non-speculative nature in order to maintain our liquidity and financial flexibility;
- we only purchase low-risk wealth management products issued by creditworthy commercial banks and/or other qualified financial institutions, and in any given period, we make investments in products provided by multiple issuers to mitigate concentration risks;
- investments exceeding certain thresholds must be approved by our Shareholders or the Board in accordance with relevant laws and regulations and our Articles of Association; and
- our finance department, subject to the review and approval of our management, is responsible for the overall execution of our investments,

including risk assessment. We carry out risk assessment primarily based on the amounts of principal, maturity dates, the qualification of product managers, the underlying assets, the expected rates of return and the review of terms and conditions of the investments.

The valuation of financial assets at FVOCI were determined based on the discounted cash flow assuming the expected factoring rate and discount rate which will be realised upon subsequent settlement and assessed by our management. The valuation of wealth management products at FVTPL we invested in were determined based on discounted cash flow assuming the expected return will be obtained upon maturity and assessed by our management who, in the view of our Directors, have sufficient experience and expertise.

In relation to the valuation of financial asset at FVTPL, the Directors are of the view that the short-term wealth management products disclosed in level 3 of fair value hierarchy was an appropriate estimate of fair value because the banks managing such wealth management products periodically and update the expected rate of return, on a quarterly or more frequent basis, with reference to the performance of the underlying assets invested by the wealth management products. Our Directors are of the view that the expected rate of return provides a good approximation for the future cash flows as well as the discount rate in determining the fair values of these wealth management products. Our Directors did not notice any indicators that short-term wealth management products might not be representative of fair value identified.

In relation to the valuation of financial assets at FVOCI, our Directors adopted the following procedures: (i) reviewing the contract terms in relation to the factored accounts receivables and discounted bank acceptance bills; and (ii) carefully considered all information especially those unobservable input, such as discount rates which require management assessments and estimates. Based on the above procedures and carefully considered all information, our Directors are of the view that the valuation of the financial assets measured at FVOCI is fair and reasonable, and the financial statements of our Group are properly prepared.

Details of the fair value measurement of our level 3 financial assets are disclosed in note 5.3 to the Accountant's Report issued by our Reporting Accountant in accordance with Hong Kong Standard on Investment Circular Reporting Engagement 200 "Accountants' Report on Historical Financial Information in Investment Circulars" issued by HKICPA set forth in Appendix I to this document.

In respect of the valuation analysis performed by our Directors on financial assets measured at FVOCI and FVTPL categorised within level 3 of fair value measurements under the fair value hierarchy, the Sole Sponsor conducted relevant due diligence work, including but not limited to, (i) review of relevant notes in the Accountant's Report as set out in Appendix I to this document and relevant analysis, agreements and other document provided by our Directors; and (ii) discussed with the Directors and the Reporting Accountant, when appropriate, about the key basis and assumptions for the valuation of financial assets measured at FVOCI and FVTPL. Having considered the work done by the Directors and the Reporting Accountant 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 Directors, when appropriate, on the financial assets measured at FVOCI and FVTPL.

Prepayments, Deposits and Other Assets

The following table sets forth our prepayments, deposits and other assets as of the dates indicated:

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Deposits to online media platforms	108,596	105,182	154,423	185,464
Rental and other deposits	1,099	10,480	10,585	12,342
Prepayments to online media platforms and suppliers	7,290	101,042	84,661	163,632
Value-added tax recoverable	14,191	3,944	37,530	47,173
Loan and advance to key managements personnel and staff	3,067	5,384	3,262	4,150
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	7	540	520	1,158
	134,250	226,572	291,949	418,211
Less: loss allowance for deposits and other assets	(711)	(887)	(1,025)	(1,242)
	133,539	225,685	290,924	416,969
Less: non-current rental deposits	(799)	(1,692)	(1,910)	(2,927)
Total	**132,740**	**223,993**	**289,014**	**414,042**

Our prepayments, deposits and other assets increased from RMB132.7 million as of December 31, 2018 to RMB224.0 million as of December 31, 2019, to RMB289.0 million as of December 31, 2020 and further to RMB414.0 million as of April 30, 2021, primarily due to the fluctuation in balances of deposits to online media platforms and prepayment to suppliers. Deposits to online media platforms represent amounts deposited with online media platforms for user traffic acquisition as required by online media platforms. Certain of our agreements with online media platforms which set out minimum gross spending generally required payment of deposits as a guarantee of our performance under the agreement. Such deposits are generally not utilized in the transactions with our suppliers. Instead, such deposits are fully refundable or used to offset our accounts payables to the relevant online media platforms once our traffic acquisitions costs from the online media platforms exceed the amount agreed in the framework agreements with the online media platforms. To mitigate the risk of default, we in turn require our advertising customers to

place deposits with us. Our deposits decreased from RMB108.6 million as of December 31, 2018 to RMB105.2 million as of December 31, 2019 and RMB154.4 million as of December 31, 2020, and further to RMB185.5 million as of April 30, 2021, which is in line with the increasing business operating level and reflects the rapid expansion of our online short video marketing solutions business.

Given that the framework agreements with online media platforms generally have terms of one year, and we generally settle deposits with online media platforms by offsetting our accounts payables to the relevant online media platforms or refunding cash until the end of the annual framework agreement, which was shortly after the end of the annual framework agreement based on historical experience, we consider the turnover days of the deposits with online media platforms should be approximately the same with the terms of the annual framework agreements, which were generally one year during the Track Record Period. As of the Latest Practicable Date, RMB80.8 million, representing 43.6% of deposits to online media platforms as of April 30, 2021, have been refunded or used to offset our trades payable to the relevant online media platforms. We consider the recoverability risk of deposits to online media platforms is low after taking into account the facts that (a) the majority of the deposits were paid to well-established, credible and reputable online media platforms in the PRC, which were also our top five suppliers during the Track Record Period; (b) the deposits to online media platforms were in accordance with the relevant annual framework agreements, under which we have various contractual rights; (c) historically, we have not experienced any material default regarding such deposits; and (d) we have continuous transactions with these online media platforms, in which the deposits could be used to offset our accounts payables.

The prepayments to suppliers represent amounts we prepaid to our media partners or media agencies for acquiring user traffic. Our prepayments to suppliers increased significantly from RMB7.3 million as of December 31, 2018 to RMB101.0 million as of December 31, 2019, as a result of the rapid expansion of our online short video marketing solutions business. Our prepayments to suppliers decreased by 16.2% from RMB101.0 million as of December 31, 2019 to RMB84.7 million as of December 31, 2020 primarily because a number of online media platforms lowered their prepayments requirements, which was primarily because of enhancement of business relationship attributable to the increase in our purchase amount from such online media platforms. In particular, our aggregate prepayment to Supplier G, Supplier D and a private advertising services provider decreased significantly from RMB94.5 million as at December 31, 2019 to RMB17.1 million as at December 31, 2020, primarily due to our increased spending for their services. Such decrease in our prepayments was partially offset by the incurrence of prepayments made to certain online media platforms with which we established business relationship in 2020.

Our prepayments to suppliers increased significantly from RMB84.7 million as of December 31, 2020 to RMB163.6 million as of April 30, 2021 primarily due to the increase in prepayment to online media platforms or media agents, including (i) the increase in prepayments made to online media platforms with which we established business relationship in 2020; and (ii) increase in prepayment made to existing online media platforms or media agents for online marketing solutions services with a view to securing sufficient advertising resources for the increasing demand of online advertising as advertiser customers in various sectors significantly increase their marketing activities to prepare for the forthcoming promotion activities, of which advertiser customers will increase their marketing expenses to boost their mid-year sales and such will normally be considered as peak season for online marketing solutions services. Such prepayments primarily comprised of prepayments to online media platforms or media agents for provision of online marketing solutions services to advertiser customers primarily located in internet services, education, leisure & travelling and e-commerce sectors and were subsequently utilized in May and June 2021 when we provided online marketing solution services to our advertiser customers. The non-current portion of prepayments, deposits and other assets represented rental deposits.

Prepayments for user traffic acquisition to suppliers are crucial to our operations and business expansion, as prepayments are generally required by certain leading online media platforms for the business cooperation with them, and such platforms are usually preferred and chosen by advertiser customers to place their advertisements. Our suppliers require us to make prepayment where (i) they do not grant us any credit terms; or (ii) they have granted us credit limit but our payables to them have exceeded relevant credit limits. Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, our prepayments were generally refundable and utilized in the transactions with our suppliers within one to two months. For the years ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2021, our prepayment turnover days (calculated as the average of the opening and closing balance of prepayments to online media platforms and suppliers divided by gross traffic acquisition and monitoring costs and multiplied by the number of days of the relevant periods) were one day, four days, four days and five days, respectively.

As of the Latest Practicable Date, RMB163.6 million, representing 100% of prepayments as of April 30, 2021, have been subsequently utilized or settled.

Accounts Payables

The following table sets forth our accounts payables as of the dates indicated:

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Total	444,266	887,099	1,475,505	1,253,246

Accounts payables primarily represent outstanding amounts, mainly due to our suppliers for user traffic acquisition.

Our accounts payables increased significantly by 99.7% from RMB444.3 million as of December 31, 2018 to RMB887.1 million as of December 31, 2019, and increased by 66.3% to RMB1,475.5 million as of December 31, 2020, which is in line with the rapid growth of our online marketing solutions business.

Our accounts payables decreased from RMB1,475.5 million as at December 31, 2020 to RMB1,253.2 million as at April 30, 2021, of which we have settled our payable balance with suppliers according to the credit term.

The following table sets forth an aging analysis of our accounts payables, based on invoice date, as of the dates indicated:

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Less than 6 months	444,266	886,198	1,473,116	1,249,562
6 months to 1 year	–	542	1,862	3,009
Over 1 year	–	359	527	675
Total	444,266	887,099	1,475,505	1,253,246

Our suppliers generally settle with us within 90 days. For the years ended December 31, 2018, 2019, 2020 and the four months ended April 30, 2021, our accounts payables turnover days were 44 days, 50 days, 52 days and 56 days, respectively. We calculate the accounts payables turnover days using the average of the opening and closing accounts payables balances for the year, divided by the gross traffic acquisition and monitoring costs for the relevant period, multiplied by the number of days in the relevant period (365 days for 2018, 2019 and 2020 and 120 days for the four months ended April 30, 2021). Our accounts payables turnover days remained relatively stable and within the general settlement period with our suppliers during the Track Record Period.

As of the Latest Practicable Date, RMB1,238.1 million, or approximately 98.8% of our accounts payables as of April 30, 2021 had been subsequently settled.

Other Payables and Accruals

The following table sets forth our other payables and accruals as of the dates indicated:

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Cost payable to online media platforms on behalf of customers	29,719	27,136	54,647	45,189
Deposits from customers	87,668	65,390	70,188	62,476
Dividend payable	–	23,000	37,875	–
Amount due to related parties	2,612	3,098	3,926	62,724
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	829	1,156	9,552	8,295
Total financial liabilities	120,828	119,780	180,062	183,692
Value-added tax payable	22,960	52,641	132,119	120,954
Other taxes payable	150	1,501	2,139	1,473
Payroll and welfare payable	7,364	13,834	39,259	37,194
Total	151,302	187,756	353,579	343,313

Our other payables and accruals primarily comprised of cost payable to online media platform on behalf of customers, deposits from customers, dividend payable, value-added tax payable and payroll and welfare payable. Deposits from customers represents deposit paid by our advertiser customers to us for our online marketing solutions. During the Track Record Period, we may from time to time requested by media partners to make deposits to them, while on the other hand, we would also request our advertiser customers to make deposit to us in order to manage our risk. Our other payables and accruals increased from RMB151.3 million as of December 31, 2018 to RMB187.8 million as of December 31, 2019, and to RMB353.6 million as of December 31, 2020, which was primarily due to the fluctuation in certain items as further discussed below. Our other payables and accruals slightly decreased to RMB343.3 million as at April 30, 2021.

Cost payable to online media platform on behalf of customers represents the traffic acquisition costs our customers of advertisement distribution service paid to us, the amount of which would be transferred by us to the media partners on behalf of these customers.

Our dividend payable increased from nil as of December 31, 2018 to RMB23.0 million as of December 31, 2019, and to RMB37.9 million as of December 31, 2020, primarily because the Company resolved to declare dividends to our shareholders in 2019 and 2020, repsectively. Our dividend payable decreased from RMB37.9 million as at December 31, 2020 to nil as at April 30, 2021, primarily because upon completion of re-organization on March 3, 2021, Guangzhou Uju became a related party of the Company. Therefore, the dividends declared but not yet paid to Guangzhou Uju as of April 30, 2021 of RMB62.2 million was presented as amount due to a related party. Our Directors confirmed that all such dividend payable to Guangzhou Uju shall be settled prior to the [**REDACTED**].

Our value-added taxes payables increased significantly from RMB23.0 million as of December 31, 2018 to RMB52.6 million as of December 31, 2019, and to RMB132.1 million as of December 31, 2020, which was in line with our business expansion and increase in profit. Our value-added taxes payables remained relatively stable as at April 30, 2021, as compared to December 31, 2020.

Payroll and welfare payables represent wages and bonuses payable to our employees. Our payroll and welfare payables increased from RMB7.4 million as of December 31, 2018 to RMB13.8 million as of December 31, 2019, and significantly increased to RMB39.3 million as of December 31, 2020, primarily due to the increases in the number of our employees and their average compensation level, which was in line with our business expansion. Our payroll and welfare payables remained relatively stable as at April 30, 2021, as compared to December 31, 2020.

Our Directors confirm that we had no material defaults in our accounts payables or other payables and accruals during the Track Record Period and up to the Latest Practicable Date.

Amount due to related parties represent the amount payable to Guangzhou Uju and our controlling shareholder, Mr. Ma. Such amount was of non-trade nature. Our Directors confirm that all such amount due to related parties shall be settled prior to the [**REDACTED**]. For more details on the amount due to related parties, see note 35 of the Accountant's Report set out in Appendix I to this document.

Contract Liabilities

Our contract liabilities represent advance payments from our advertiser customers for our online marketing solutions while the underlying services have not been provided. The table below sets forth revenue-related contract liabilities we recognized as of the dates as indicated:

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Advance from clients	16,892	31,282	66,133	75,758

Our contract liabilities increased from RMB16.9 million as of December 31, 2018 to RMB31.3 million as of December 31, 2019, and increased to RMB66.1 million as of December 31, 2020 and further increased to RMB75.8 million as of April 30, 2021, primarily in line with the rapid growth of our online short video solutions business.

The following table sets forth an aging analysis of our contract liabilities as at the dates indicated:

	As at December 31, 2020	As at April 30, 2021
	(RMB'000)	(RMB'000)
Within 90 days	37,276	40,251
91 days – 180 days	28,857	35,507
Total	66,133	75,758

During the Track Record Period, the outstanding balance of contract liabilities of RMB16.9 million and RMB31.3 million as at December 31, 2018 and 2019 has been fully settled in 2019 and 2020, respectively. As of the Latest Practicable Date, all our contract liabilities as at December 31, 2020 and April 30, 2021 had been subsequently utilized or settled, primarily through, provision of marketing services to our advertiser customers. We expect that our advertiser customers will utilize their prepayment to us shortly to satisfy their marketing needs, after taking into account the historical subsequent settlement pattern. However, the subsequent utilization of the advertiser customers' prepayment to us is subject to their actual marketing need. We do not consider there will be any material adverse impact to our business or financial position even if there are any long outstanding contract liabilities.

Lease Liabilities

We are the lessee in respect of certain properties as our office premises and office equipment for our operations under operating leases. Leases of properties generally have lease terms of one to three years. Office equipment generally has lease terms of 12 months or less and is individually of low value. For any lease with a term of more than 12 months, unless the underlying asset is of low value, we recognize a right-of-use asset representing our right to use the underlying leased asset and a lease liability representing our obligation to make lease payments.

The table below sets forth the carrying amount of our lease liabilities as of the dates as indicated:

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Current	2,740	3,687	5,383	11,130
Non-current	280	7,564	3,176	11,001
Total	3,020	11,251	8,559	22,131

Current income tax liabilities

Our income tax liabilities increased from RMB18.0 million as at December 31, 2018 to RMB51.5 million as at December 31, 2019, and further increased to RMB82.1 million as at December 31, 2020. The income tax liabilities increased for the three years ended December 31, 2018, 2019 and 2020 as we have experienced significant growth in our business and our profit before income tax has increased significantly from RMB68.9 million in 2018 to RMB178.2 million in 2020. The income tax paid amounted to RMB1.9 million, RMB14.6 million and RMB34.2 million for the years ended December 31, 2018, 2019 and 2020, respectively. For the income tax liabilities of RMB82.1 million as at December 31, 2020, we have also subsequently settled RMB78.5 million.

INDEBTEDNESS AND CONTINGENT LIABILITIES

Indebtedness

During the Track Record Period, our indebtedness mainly consisted of bank borrowings, factoring borrowings, borrowings from third parties and borrowings from related party and lease liabilities.

The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As at December 31,			As at April 30,	As at August 31,
	2018	2019	2020	2021	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (unaudited)
Included in current liabilities					
Bank borrowings, secured and guaranteed	20,012	58,074	70,053	110,354	110,484
Factoring borrowings	–	156,993	51,905	198,014	98,526
Borrowings from third parties	10,302	11,000	55,353	85,987	83,384
Borrowings from related party	64,099	64,579	48,106	14,085	14,129
Current portion of lease liabilities	2,740	3,687	5,383	11,130	9,645
Sub-total	97,153	294,333	230,800	419,570	316,168
Included in non-current liabilities					
Non-current portion of lease liabilities	280	7,564	3,176	11,001	9,502
Total	97,433	301,897	233,976	430,571	325,670

The interest rate of bank borrowings, secured bear interests were 5.2635%, 5.15%-5.44%, 4%-5% and 3.85% to 9.6% per annum as at December 31, 2018, 2019 and 2020 and April 30, 2021, respectively. Such borrowings were guaranteed by Independent Third Parties and related parties of our Group. Our Directors confirmed that the guarantee provided by related parties shall be released prior to [**REDACTED**].

In July 2019, we entered into a factoring agreement with a financial institution pursuant to which, we will factor our accounts receivables from a major customer on a regular basis. The factoring agreement is with the recourse clauses in favor to the financial institution. Therefore, we recognized factoring borrowings based on the amounts of proceeds as collected from the financial institution in consideration of the factored accounts receivables. The effective interest rate applicable to these factoring borrowings was 10% per annum as at December 31, 2019 and 2020 and April 30, 2021. The balance of our factoring borrowings decreased from RMB157.0 million as at December 31, 2019 to RMB51.9 million as at December 31, 2020. The balance of our factory borrowing increased to RMB198.0 million as at April 30, 2021. Under the factoring arrangement, all the cash receipts from the major customer have to be deposited in a designated bank account and the use of any monies as deposited in that designated bank accounts is subject to prior approval from the financial institution. We recognize such deposits as restricted cash.

The interest rate of borrowings from third parties as at December 31, 2018 was fixed at 12% per annum. The borrowing as at December 31, 2019 was interest free and had a term of one month. The borrowings from third parties as at December 31, 2020 comprised of (i) a borrowing from an asset management company ("**Lender A**") with a principal of RMB20.0 million at a fixed interest rate of 10% per annum; and (ii) a borrowing from a company providing internet services in the real estate industry ("**Lender B**") with a principal of RMB35.0 million at a fixed interest rate of 12% per annum. Lender A is based in Beijing and mainly engaged in asset investment and management. The Company's COO and Lender A's legal representative previously worked in an internet company together, and introduced the Company to Lender A in 2019. Lender B is based in Beijing and mainly engaged in the information technology, software and advertising services. It knew the Company in an industry conference in 2018, after which it became a customer of the Company. The borrowings from third parties as at April 30, 2021 include an additional borrowing from Tibet Caibang Energy Equipment Co., Ltd. (西藏财邦能源装備有限公司) ("**Tibet Caibang**") with a principal of RMB30.0 million at a fixed interest rate of 12% per annum. Tibet Caibang is based in Tibet and primarily engages in the development of new energy project and technology, purchase and sales of new energy equipment and information consultation services. Tibet Caibang is controlled by Mr. Yang Zhifeng and his spouse, and a family trust set up by Mr. Yang Zhifeng who also owns Clever Gain, being one of the Company's Pre-[**REDACTED**] Investors. See the section headed "History, Development and Reorganization — Pre-[**REDACTED**] Investments — Information about the Pre-[**REDACTED**] Investors — (2) Clever Gain" in this document for more details. The Company got acquainted with Tibet Caibang by management introduction in early 2021. All the abovementioned borrowings from third parties are unsecured and repayable within one year. The Company borrowed from such third-party lenders primarily to satisfy its short-term financing needs which cannot be fully covered by banking facilities.

Uju Beijing also made four unsecured borrowings from Chongqing Tiaotiaoshidao Information Technology Co., Ltd. ("**Chongqing Tiaotiaoshidao**"), including (i) an interest-free borrowing with a principal of RMB5.0 million in 2019; and (ii) three borrowings with an aggregate principal of RMB20.0 million at a fixed interest rate of 8% per annum in 2020. Such borrowings, with terms ranging from eight days to 36 days, were mainly made to satisfy short-term financing needs of our Group and were repaid within the same year of drawdown. For more information about Chongqing Tiaotiaoshidao, please see Note 35 of the Accountant's Report set out in Appendix I to this document.

As advised by our PRC Legal Advisors, unauthorised lending activities engaged by enterprises are prohibited under the General Lending Provisions (《貸款通則》) promulgated by the People's Bank of China ("**PBOC**") on 28 June 1996. The PBOC may impose a fine ranging from one to five times of the income from non-compliant lending activities to the lender.

In addition, as advised by our PRC Legal Advisors, the borrowing and lending between enterprises are common. The Supreme People's Court of the PRC has conditionally affirmed the validity of the loan agreements between enterprises by issuing the Provisions of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Private Lending Cases (《最高人民法院關於審理民間借貸案件適用法律若干問題的規定》) (the "**Provisions**"), which became effective on September

1, 2015 and last amended on December 29, 2020. According to the Provisions, (i) except under the circumstances as set forth in Articles 146, 153 and 154 of the Civil Code of the PRC (《中華人民共和國民法典》) or Article 13 of the Provisions, the people's court shall support a claim for the validity of a private lending contract if requested by parties; and (ii) the people's court shall support the claim by the lender for the payment of the interests under the lending contract where the annual interest rate agreed by the borrower and lender does not exceed four times the quoted interest rate on the one-year loan market at the date of the contract.

On the basis above, and given that (i) the loan agreements did not involve the circumstances as set forth in Articles 146, 153 and 154 of the Civil Code of the PRC or Article 13 of the Provisions and the annual interest rates were within the scope allowed by the Provisions; (ii) we act as a borrower instead of a lender; and (iii) as of the Latest Practicable Date, we had not received any notice or administrative penalty from the regulatory authorities (including the PBOC) against the borrowings and no disputes had arisen from the borrowings, our PRC Legal Advisors are of the view that (i) the loan agreements are protected by PRC law in judicial practice and the terms of the loan agreements are valid and enforceable; (ii) the risk that the PBOC will impose any penalty on us regarding the borrowings is low; and (iii) the borrowings are not in violation of PRC laws and administrative regulations and does not constitute significant non-compliance under PRC law. To enhance our compliance with relevant laws and regulations, our Directors confirm that all borrowings from third parties will be entrusted by the bank or repaid prior to the [**REDACTED**].

The borrowings from a related party comprised of borrowings from Guangzhou Uju which are unsecured and had a fixed interest rate of 6% per annum. Such borrowings had no fixed terms of repayment. Our Directors confirmed that the borrowings from related parties shall be repaid prior to [**REDACTED**].

As at December 31, 2018, 2019 and 2020 and April 30, 2021, all our borrowings were considered as repayable within one year.

Our Directors confirm that there has been no material change in our indebtedness position since August 31, 2021, being the latest practicable date for the purpose of the indebtedness statement.

As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to undertake additional debt or equity financing, nor was there any breach of covenant during the Track Record Period and up to the Latest Practicable Date. As of August 31, 2021, except for bank borrowings, we did not have plans for other material external debt financing. As of the Latest Practicable Date, we had unutilized banking facilities of RMB60.0 million. We do not anticipate any changes to the availability of bank financing to finance our operations in the future, although we cannot assure you that we will be able to access bank financing on favorable terms or at all.

Save as aforesaid or as otherwise disclosed herein and apart from normal trade and other payables and tax payable, our Group did not have any mortgages, charges,

debentures, loan capital, bank loans and overdrafts, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance credits or any guarantees outstanding as at August 31, 2021.

Contingent Liabilities

As at August 31, 2021, we have no material contingent liabilities. We confirm that as of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. It is the view of the Directors that each of the related party transactions set out in Note 35 to the Accountant's Report in Appendix I to this document was conducted in the ordinary course of business on an arm's length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or make our historical results not reflective of our future performance.

For details regarding the transactions with related parties during the Track Record Period, see Note 35 in "Appendix I — Accountant's Report" in this document.

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios as of the dates or for the periods indicated:

	As of and for the year ended December 31,			As of and for the four months ended April 30,
	2018	2019	2020	2021
	(%)			
Profitability ratios				
Gross profit margin[(1)]	9.2	6.9	5.1	5.5
Net profit margin[(2)]	4.3	2.4	2.1	3.1
Return on equity[(3)]	78.9	67.6	57.4	N/A
Return on assets[(4)]	6.3	5.2	5.5	N/A

	As of and for the year ended December 31,			As of and for the four months ended April 30,
	2018	2019	2020	2021
	(%)			
Liquidity ratios				
Current ratio[(5)]	1.1	1.1	1.1	1.2
Capital adequacy ratio				
Gearing ratio[(6)]	1.5	2.5	1.0	1.0
Net debt to equity ratio[(7)]	1.4	2.0	0.1	0.9

Notes:

(1) Gross profit margin is calculated based on gross profit divided by revenue and multiplied by 100%.

(2) Net profit margin is calculated based on profit for the year/period divided by revenue and multiplied by 100%.

(3) Return on equity is calculated based on profit for the year divided by the closing balances of total equity and multiplied by 100%. Return on equity for the four months ended April 30 2021 is not meaningful as it is not comparable to the annual figures.

(4) Return on assets is calculated based on profit for the year divided by the closing balances of total assets and multiplied by 100%. Return on assets for the four months ended April 30 2021 is not meaningful as it is not comparable to the annual figures.

(5) Current ratio is calculated based on total current assets divided by total current liabilities.

(6) Gearing ratio is calculated based on total borrowings (including bank and other borrowings and lease liabilities) divided by total equity.

(7) Net debt to equity ratio is calculated based on total borrowings (including bank and other borrowings and lease liabilities) less cash and cash equivalents and restricted cash divided by total equity.

See "— Year to Year Comparison of Results of Operations" in this section for a discussion of the factors affecting our gross profit margin and net profit margin during the respective years/periods.

Return on Equity

Our return on equity decreased from 78.9% in 2018 to 67.6% in 2019, and further to 57.4% in 2020, primarily due to the increase in our total equity as a result of the increase in our retained earnings.

Return on Assets

Our return on assets decreased from 6.3% in 2018 to 5.2% in 2019, primarily as the increase in the total assets, particularly, the accounts receivables, outpaced that of our profit, which represents the rapid development of our online marketing solutions business. Our return on assets increased from 5.2% in 2019 to 5.5% in 2020, primarily due to the increase of our profit for the year due to the business growth.

Current Ratio

Our current ratio remained relatively stable during the Track Record Period.

Gearing Ratio

Our gearing ratio increased from 1.5 as of December 31, 2018 to 2.5 as of December 31, 2019 primarily due to the increases in borrowings to support our business expansion. Our gearing ratio decreased from 2.5 as of December 31, 2019 to 1.0 as of December 31, 2020, primarily due to the decrease in our total borrowings since we repaid some of our borrowings in the year. Our gearing ratio remained relatively stable as at April 30, 2021, as compared to December 31, 2020.

Net debt to equity Ratio

Our net debt to equity ratio increased from 1.4 as of December 31, 2018 to 2.0 as of December 31, 2019, primarily due to the increase borrowings to support our business expansion. Our net debt to equity ratio decreased from 2.0 as of December 31, 2019 to 0.1 as of December 31, 2020, primarily due to (i) the decrease in our total borrowings since we repaid some of our borrowings in the year; and (ii) the increase in our total equity due to the increase in retained earnings. Our net debt to equity ratio increased from 0.1 as at December 31, 2020 to 0.9 as at April 30, 2021, primarily due to the increase in our borrowings.

FINANCIAL RISKS

We are exposed to a variety of financial risks, including credit risk and liquidity risk, as set out below. We manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner. As of the Latest Practicable Date, we did not hedge or consider necessary to hedge any of these risks. For further details, see Note 5 in the Accountant's Report set out in Appendix I to this document.

Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency other than the functional currency of the each of the entities in our Group. The transactions of our Company are denominated and settled in its functional currency, HKD. The functional currency of the subsidiaries operated in the PRC is RMB. Our Group has no exposure to foreign currency risk at each year end of the Track Record Period, as each entity in our Group did not held any assets and liabilities denominated in currencies other than their respective functional currency.

(ii) Cash flow and fair value interest rate risk

Financial assets/liabilities with variable interest rate expose us to cash flow interest-rate risk, and financial assets/liabilities with fixed interest rate expose us to fair value interest-rate risk. As at December 31, 2020, all of our borrowings bear interests at fixed interest rates. On top of these borrowings, other than interest-bearing cash and cash equivalents, restricted cash and lease liabilities, we have no other significant interest-bearing assets or liabilities. Our Directors do not anticipate that there will be any significant impact resulted from the changes in the interest rate.

Credit Risk

Our Group is exposed to credit risk primarily in relation to our cash and cash equivalent, financial assets at FVOCI, wealth management products carried at FVTPL issued by banks, as well as trade and other receivables. The carrying amount of each class of the above financial assets represents our Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

Our cash and cash equivalents are mainly placed with state-owned or reputable financial institutions in the PRC and reputable international financial institutions outside of the PRC. There has been no recent history of default in relation to these financial institutions. Majority of the wealth management products are issued by financial institutions investing in low risk underlying assets, which mainly consist of bank deposits, treasury bond, central bank bill, local government debt, corporate bond or debt with high credit ratings. Thus, our Directors were of the view the credit risk related to cash and cash equivalents and wealth management products was insignificant.

Our group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of its counterparties. Our Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Our Group performed credit evaluation which focused on the customer's history of making payments and current ability to pay. We do not obtain collateral from customers.

Our group was exposed to concentration of credit risk on its accounts receivables (measured at amortised cost and FVOCI). As at December 31, 2018, 2019, 2020 and April 30, 2021, RMB355.9 million, RMB794.7 million, RMB1,265.9 million and RMB1,156.8 million, accounting for approximately 59%, 64%, 67% and 60% of our group's accounts receivables (measured at amortised cost and FVOCI) were due from our five largest customers (including the major customer A as mentioned in Note 8 of the Accountant's Report set out in Appendix I). Given the strong business relationship established with these customers, the regular payments made according to contract terms and the financial capability of these customers, our Directors do not expect that there will be any significant credit risk from the non-performance of these customers.

Liquidity Risk

We manage liquidity risk by closely and continuously monitoring our financial position. We aim to maintain adequate cash and cash equivalents to meet our liquidity requirements, finance our business operations and mitigate the effects of fluctuations in cash flows. Please see Note 5.1 to the Accountant's Report set forth in Appendix I to this document for more details about our financial liabilities by different maturity groups.

DIVIDENDS

We declared a total of dividends of RMB23.0 million and RMB22.0 million in 2019 and 2020, respectively. We also declared another total dividends of RMB40.0 million in February 2021 which will be settled by the cash generated from our operating activities prior to the [**REDACTED**]. Other than that, no dividends have been paid or declared by the Company since its incorporation, or by any of the subsidiaries of our Group during the Track Record Period. Our Directors confirm that all outstanding dividends shall be settled prior to the [**REDACTED**].

Subject to the Companies Act and our Articles of Association, through a general meeting, we may declare dividends, but no dividend may be declared unless out of either profits or share premium account and no dividend shall exceed the amount recommended by our Board. Any declaration of dividends will be at the absolute discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors that our Directors consider relevant. Our Board may also from time to time pay interim dividends as our Board believes to be justified by the profits of our Company, as well as special dividends on shares of any class of such amounts and on such dates as it deems fit. We cannot guarantee in what form dividends will be paid in the future.

As we are a holding company, our ability to declare and pay dividends will also depend on the availability of dividends received from our PRC subsidiaries. PRC laws require that dividends be paid only out of the net profit calculated according to the PRC accounting principles, which differ in many aspects from generally accepted accounting principles in other jurisdictions, including IFRSs. PRC laws also require foreign invested enterprises to set aside part of their net profit as statutory reserves, which 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 of April 30, 2021, the Company did not have any distributable reserves available for distribution to Shareholders.

[REDACTED] EXPENSES

Our [**REDACTED**] expenses mainly include [**REDACTED**] commissions, professional fees paid for services rendered in relation to the [**REDACTED**] and the [**REDACTED**]. The estimated total [**REDACTED**] expenses (based on the mid-point of our indicative price range for the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised) for the [**REDACTED**] are approximately RMB[**REDACTED**] million, representing [**REDACTED**]% of the gross proceeds (based on the mid-point of our indicative [**REDACTED**] range for the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised) of the [**REDACTED**]. The estimated total [**REDACTED**] expenses comprise (i) [**REDACTED**]-related expenses, including [**REDACTED**]

commission and other expenses, of RMB[**REDACTED**] million; and (ii) non-[**REDACTED**]-related expenses of RMB[**REDACTED**] million, including (a) fee paid and payable to legal advisers and the Reporting Accountant of RMB[**REDACTED**] million, and (b) other fees and expenses, including sponsor fees, of RMB[**REDACTED**] million. During the Track Record Period, we incurred [**REDACTED**] of RMB[**REDACTED**] million, of which approximately RMB[**REDACTED**] million and RMB[**REDACTED**] million were charged to the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2020 and for four months ended April 30, 2021, and approximately RMB[**REDACTED**] million was recognized as prepayment in the consolidated balance sheet as of April 30, 2021 which will be charged against equity upon successful [**REDACTED**]. We expect to incur additional [**REDACTED**] of approximately RMB[**REDACTED**] million, of which approximately RMB[**REDACTED**] million is expected to be charged to our consolidated statement of profit or loss and other comprehensive income and approximately RMB[**REDACTED**] million is expected to be recognized as a deduction in equity directly upon the [**REDACTED**]. Our Directors do not expect that such expenses will have a material adverse effect on our results of operations for the year ending December 31, 2021.

UNAUDITED PRO FORMA STATEMENT ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Appendix II — Unaudited Pro Forma Financial Information" in this document for details of our unaudited pro forma statement of adjusted net tangible assets.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the Latest Practicable Date, (i) there has been no material adverse change in our financial or trading position since April 30, 2021; and (ii) there has been no material adverse change in our business, the industry in which we operate and/or market or regulatory environment to which we are subject.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

We confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 in Chapter 13 of the Listing Rules upon the [**REDACTED**] of the Shares on the Stock Exchange.

FUTURE PLANS

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

USE OF PROCEEDS

We estimate that we will receive net proceeds from the [**REDACTED**] of approximately HK$[**REDACTED**] million, assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the [**REDACTED**] range stated in this document), after deducting the [**REDACTED**] commissions, and estimated expenses paid or payable by us in relation to the [**REDACTED**].

In line with our strategies, we intend to apply the net proceeds from the [**REDACTED**] for the following purposes and in the amounts set forth below:

- Approximately [**REDACTED**]% of the net proceeds, or HK$[**REDACTED**] million, will be used to upgrade our U-Engine platform with a focus on research, development and utilization of AI capabilities and SaaS technologies. Specifically, from the [**REDACTED**] Date up to the next three years, we intend to use:

  - approximately [**REDACTED**]%, or HK$[**REDACTED**] million to upgrade and connect the U-Engine platform with increasing number of online media platforms through API connections, build a digitalized service platform accessing to our direct advertiser customers and advertising agency customers, and enable us to provide both all-in-one and advertisement distribution services on this platform. Among which, approximately HK$[**REDACTED**] million will be used to purchase third party cloud services, storage services and other hardware for two years; while approximately HK$[**REDACTED**] million will be used to recruit and build a staff team of 15 professional information technology and system engineers with bachelor degrees, five to ten years of experiences and average annual salaries of approximately HK$[**REDACTED**] million to upgrade and further operate the U-Engine system;

  - approximately [**REDACTED**]%, or HK$[**REDACTED**] million to develop, upgrade and operate the digitalization services platform of the U-Engine platform. In particular, we plan to use approximately [**REDACTED**]%, or HK$[**REDACTED**] million to develop and upgrade our AI-based interactive and visualized content production, performance review and effect optimization system. Among which, HK$[**REDACTED**] million will be used to purchase third party cloud services and other hardware for two years; while approximately HK$[**REDACTED**] million will be used to engage external professional team to develop AI processing and intelligent online short video creation capabilities to support the operation of digitalization services platform in the next two years. We will also use approximately

[**REDACTED**]%, or HK$[**REDACTED**] million, or approximately HK$[**REDACTED**] million each year, to recruit over ten professional information technology and system engineers with bachelor degrees, less than two years of experiences and average annual salaries of approximately HK$[**REDACTED**] million for further operation and maintenance of the digitalization services in the next three years; and

- approximately [**REDACTED**]%, or HK$[**REDACTED**] million to upgrade and optimize our internal management system by connecting with the data-based U-Engine platform. In particular, we intend to spend a total of HK$[**REDACTED**] million to procure the relevant financial and operational management system and outsource part of the maintenance and upgrading work to a professional service provider, which would streamline our transactional, financial, operational and human resources management systems and connect them with the U-Engine platform, enabling our management to formulate insightful and effective business operation, corporate governance and strategic development decisions based on the real-time performance data generated on the intelligent U-Engine platform.

For details, see "Business — Our Strategies — Continue to upgrade our U-Engine platform with AI capabilities and SaaS technologies"; and

- Approximately [**REDACTED**]% of the net proceeds, or HK$[**REDACTED**] million, will be used to explore business opportunities with our advertiser customers who carry out e-commerce businesses on online short video platforms. Specifically, in the next three years, we intend to use approximately [**REDACTED**]%, or HK$[**REDACTED**] million to recruit and engage about ten KOLs and celebrities with an average annual salaries of approximately HK$[**REDACTED**] million to provide comprehensive e-commerce marketing solutions, such as live-streaming sales, KOL strategies and event marketing campaigns, to our advertiser customers. We also intend to use approximately [**REDACTED**]%, or HK$[**REDACTED**] million to recruit about five operation and maintenance staffs with bachelor degrees, over three years of experiences and an average annual salaries of approximately HK$[**REDACTED**] million to design and operate e-commerce stores on the online short video platforms for our advertiser customers. Additionally, we intend to use approximately [**REDACTED**]%, or HK$[**REDACTED**] million to recruit about eight marketing staffs with bachelor degrees, over five years of experiences and an average annual salaries of approximately HK$[**REDACTED**] million to assist our advertiser customers to promote their brands through diverse forms on such online short video platforms as well as purchasing new online marketing equipment and building new online marketing scenarios to support our e-commerce online marketing solutions services. For details, see "Business — Our Strategies — Explore innovative and intelligent E-commerce marketing solutions on leading online short video platforms"; and

- Approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to enhance our content production capabilities by devoting resources on research, development and upgrading of our AI, algorithm-driven and data-based technologies. In particular, we will continue to invest in our AI capabilities through development of proprietary AI technologies or acquisitions of relevant AI software or systems to strengthen our content production capabilities. We will utilize and develop a variety of algorithm-driven AI technologies such as image recognition, image generation, voice recognition and augmented reality to develop some attractive and practical functions, including intelligent face and voice changing, virtual reality actors as well as intelligent editing and intelligent special effects, to enhance the creativity of our online short video marketing solutions. We will also develop AI robots and utilize machine-learning technologies to track, search and streamline the online short videos and other ad creatives in the content production process, enabling us to produce and optimize massive online marketing solutions more efficiently and effectively. In order to do so, in the next three years (i) approximately [**REDACTED**]%, or HK$[**REDACTED**] million will be used to recruit two information system architecture engineers with bachelor degrees, over ten years of experiences and an average annual salaries of approximately HK$[**REDACTED**] million; (ii) approximately [**REDACTED**]%, or HK$[**REDACTED**] million will be used to recruit two product managers with bachelor degrees, over five years of experiences and an average annual salaries of approximately HK$[**REDACTED**] million; (iii) approximately [**REDACTED**]%, or HK$[**REDACTED**] million will be used to recruit 11 algorithm engineers with bachelor degrees, over five years of experiences and an average annual salaries of approximately HK$[**REDACTED**] million; (iv) approximately [**REDACTED**]%, or HK$[**REDACTED**] million will be used to recruit 17 system developers with bachelor degrees, over five years of experiences and an average annual salaries of approximately HK$[**REDACTED**] million; and (v) approximately [**REDACTED**]%, or HK$[**REDACTED**] million will be used to recruit six testing staff members with bachelor degrees, over five years of experiences and an average annual salaries of approximately HK$[**REDACTED**] million. For details, see "Business — Our Strategies — Develop and enhance online short videos content production capacity"; and

- Approximately [**REDACTED**]% of the net proceeds, or HK$[**REDACTED**] million, will be used to expand our business by enhancing our relationships with existing media partners, enlarging our advertiser customers and media partner bases. Specifically, in the next three years, we intend to use:

  - approximately [**REDACTED**]%, or HK$[**REDACTED**] million to explore new business opportunities with new advertiser customers and online media platforms. Specifically, we are currently targeting and negotiating with key account advertisers in industries with high growth potential in the future, such as electricity vehicles, community buying and healthcare management industries. These targeted key account advertisers are generally leading market players in their respective industries with higher annual marketing budgets. We generally grant these customers with longer credit periods of 90 to 120 days. Meanwhile, we will further expand the scale of our business with existing and emerging online media platforms. According to iResearch, besides the most popular media platforms, advertiser customers can also generate value by placing advertisements on other media platforms, due to the different content distribution and the users' characteristics of these media platforms. Our targeted emerging online media platforms mainly include leading information content and tools platforms, advertising agencies media platforms and e-commerce media platforms. These online media platforms are generally among the largest market players in their respective industries. Since these online media platforms generally require higher prepayments before acquiring user traffic and shorter credit periods, it is expected that our future transactions with them will result in substantial cash requirements, a portion of which would be funded by the net proceeds from the [**REDACTED**]. Additionally, we may also explore overseas marketing opportunities by collaborating with our top media partners to address the overseas marking needs of our advertiser customers;

  - approximately [**REDACTED**]%, or HK$[**REDACTED**] million to enhance our relationship with existing top online media platforms and explore new media partners. Such amount will be used for deposits to some online media platforms since these online media platforms generally require deposit or prepayment of a certain percentage of the estimated annual marketing budget to guarantee an expected level of gross spending consumed by advertiser customers and/or online marketing solutions providers. Our Directors expect such percentages are expected to remain stable in the next three years, and we expect to use some portion of the net proceeds from the [**REDACTED**] to stratify the deposits and prepayments from the media partners; and

  - approximately [**REDACTED**]%, or HK$[**REDACTED**] million to recruit a total of 80 sales and marketing staff members with bachelor degrees, over three years of sales and marketing experiences and average annual salaries of HK$[**REDACTED**] million to explore new advertisers and media partners to support our business expansion, which is in line with the historical increase in the number of our sales and marketing staff during the Track Record Period.

For details, see "Business — Our Strategies — Reinforce and expand our relationships with media partners and advertiser customers."

- Approximately [**REDACTED**]% of the net proceeds, or HK$[**REDACTED**] million, will be used to pursue strategic investments in and acquisitions of business opportunities that have synergy with us and can strengthen our localization marketing capabilities. In the next three years, (i) we plan to use approximately [**REDACTED**]%, or HK$[**REDACTED**] million to invest in companies that can enhance our quality and customized content production capabilities for our advertiser customers, including companies that (a) can improve and diversify our ad creative inventory, such as MCN, KOL or event marketing companies; (b) can improve our quality and operational efficiency, such as props and sets logistics providers which can strengthen our relationships with advertiser customers and online media platforms; and (c) equipped with advanced AI capabilities and proprietary IP rights to strengthen our technology-based content production capabilities. Specifically, we plan to invest in two to three such companies with more than three years of successful track records and net profit of RMB4 million to RMB8 million as our subsidiaries; (ii) we also plan to use approximately [**REDACTED**]%, or HK$[**REDACTED**] million to invest in niche and boutique online marketing services providers with extensive local advertiser customers coverage in Beijing, Shanghai, Guangzhou and Chongqing so as to enhance our advertiser customer base. In specific, we plan to invest in one to two such companies with more than three years of successful track records and net profit of RMB4 million to RMB8 million as our subsidiaries. We expect that a portion of such investments would be funded by the net proceeds from the [**REDACTED**], with the remaining to be funded by bank borrowings and cash inflow from our operating activities. Our Directors confirm that, which is concurred by iResearch, all such targeted companies are available in the market as of the Latest Practicable Date. Meanwhile, we had not identified any investment or acquisition target, as of the Latest Practicable Date. For details, see "Business — Our Strategies — Explore strategic alliance, investments and acquisitions to integrate industry resources"; and

- Approximately [**REDACTED**]% of the net proceeds, or HK$[**REDACTED**] million, will be used for working capital and general corporate purposes.

The table below sets forth the expected implementation timetable of our planned use of our proceeds:

	For the years ending December 31,				
	2021	2022	2023	2024	Total
	(HKD in millions)				
Upgrading the U-Engine platform with a focus on research, development and utilization of AI capabilities and SaaS technologies					
Connecting the U-Engine with enlarged advertiser customer and media partner bases	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Developing the digitalization services platform of the U-Engine platform	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Upgrading the internal management system	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Expanding business opportunities in e-commerce businesses on online short video platforms	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Enhancing the content production capacities with AI technologies	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Enhancing our relationships with existing media partners and enlarging our advertiser customers and media partner bases					
Strengthening sales and marketing teams	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Enlarging media base	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Exploring new businesses with new advertiser customers and online media platforms	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Pursuit of strategic investments and acquisitions	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Working capital and general corporate purposes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

In the event that the [**REDACTED**] is set at the high-end or low-end of the proposed [**REDACTED**] range and the [**REDACTED**] is not exercised, the net proceeds to be received by us will be increased or decreased by approximately HK$[**REDACTED**] million, respectively. To the extent our net proceeds are either more or less than expected, we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

If any part of our plan does not proceed as planned for reasons such as changes in government policies that would render any of our plans not viable, or the occurrence of force majeure events, our Directors will carefully evaluate the situation and may reallocate the net proceeds from the [**REDACTED**].

To the extent that the net proceeds of the [**REDACTED**] are not immediately used for the purposes described above, and to the extent permitted by the relevant laws and regulations, we only intend to place such proceeds in short-term interest-bearing deposits with licensed banks or authorized financial institutions in Hong Kong or China.

[**REDACTED**]

[**REDACTED**]

This document is published solely in connection with the [**REDACTED**]. The [**REDACTED**] is fully [**REDACTED**] by the [**REDACTED**] on a conditional basis on the terms and conditions set out in this document relating thereto and the [**REDACTED**]. The [**REDACTED**] is expected to be fully [**REDACTED**] by the [**REDACTED**].

The [**REDACTED**] comprises the [**REDACTED**] of initially [**REDACTED**] [**REDACTED**] and the [**REDACTED**] of initially [**REDACTED**] [**REDACTED**], subject, in each case, to reallocation on the basis as described in the section headed "Structure of the [**REDACTED**]" in this document as well as to the [**REDACTED**].

[REDACTED] ARRANGEMENTS

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION

The following is the text of a report set out on pages [I-1] to [I-3], received from the Company's Reporting Accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Sponsor pursuant to the requirements of HKSIR 200 Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

[Letterhead of PricewaterhouseCoopers]

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF UJU HOLDING LIMITED AND CMBC INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of UJU HOLDING LIMITED (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages [I-4] to [I-64], which comprises the consolidated balance sheets as at December 31, 2018, 2019 and 2020 and April 30, 2021, the Company balance sheets as at December 31, 2020 and April 30, 2021 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 December 31, 2018, 2019 and 2020 and the four months ended April 30, 2021 (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-64] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [date] (the "**Document**") in connection with the initial [**REDACTED**] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

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 3 and 4.1 to the Historical Financial Information, 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 Accountant's 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 Circular Reporting Engagements 200, *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("**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 Accountant's 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 Accountant considers 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 3 and 4.1 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 purposes of the accountant's report, a true and fair view of the financial position of the Company as at December 31, 2020 and April 30, 2021 and the consolidated financial position of the Group as at December 31, 2018, 2019 and 2020 and April 30, 2021 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of presentation and preparation set out in Notes 3 and 4.1 to the Historical Financial Information.

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 statement of changes in equity and the consolidated statement of cash flows for the four months ended April 30, 2020 and other explanatory information (the "**Stub Period Comparative Financial Information**"). The directors of the Company are responsible for the presentation and preparation of the Stub Period Comparative Financial Information in accordance with the basis of presentation and preparation set out in Notes 3 and 4.1 to the Historical Financial Information. 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 International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the International Auditing and Assurance Standards Board ("**IAASB**"). 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 International 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 the 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 3 and 4.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") 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 contains information about the dividends paid by the companies now comprising the Group in respect of the Track Record Period and states that no dividend has been paid by UJU HOLDING LIMITED in respect of the Track Record Period.

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its date of incorporation.

[PricewaterhouseCoopers]
Certified Public Accountants
Hong Kong, [date]

I HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Set out below is the Historical Financial Information which forms an integral part of this accountant's report. The financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand of Renminbi yuan (RMB'000) except when otherwise indicated.

Consolidated Statements of Profit or Loss and Other Comprehensive Income

		Year ended December 31,			Four months ended April 30,	
	Notes	2018	2019	2020	2020	2021
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Revenue	*8*	1,156,278	3,450,856	6,360,724	1,441,293	2,214,164
Cost of services	*9*	(1,049,623)	(3,211,600)	(6,035,343)	(1,370,292)	(2,093,364)
Gross profit		106,655	239,256	325,381	71,001	120,800
Selling expenses	*9*	(13,588)	(18,259)	(18,797)	(5,289)	(9,251)
General and administrative expenses	*9*	(19,416)	(28,409)	(44,678)	(10,148)	(25,320)
Research and development expenses	*9*	–	–	(4,399)	(3,267)	(1,464)
Net impairment losses on financial assets	*11*	(926)	(77,493)	(53,744)	(26,926)	(8,211)
Other income	*12*	535	6,919	3,516	411	26,635
Other losses, net	*13*	(221)	(681)	(1,650)	(236)	(44)
Operating profit		73,039	121,333	205,629	25,546	103,145
Finance income		222	262	255	49	118
Finance costs		(4,357)	(11,393)	(27,686)	(8,531)	(9,204)
Finance costs, net	*14*	(4,135)	(11,131)	(27,431)	(8,482)	(9,086)
Profit before income tax		68,904	110,202	178,198	17,064	94,059
Income tax expenses	*15*	(18,760)	(28,288)	(45,019)	(4,470)	(25,420)
Profit for the year/period attributable to owners of the Company		50,144	81,914	133,179	12,594	68,639

	Notes	Year ended December 31,			Four months ended April 30,	
		2018	2019	2020	2020	2021
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Other comprehensive (loss)/income						
Items that maybe subsequently reclassified to profit or loss						
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax		(67)	(1,610)	(806)	(2,207)	(788)
Exchange differences on translation of foreign operations		–	–	–	–	1,698
Items that will not be reclassified to profit or loss						
Exchange differences on translation of the financial statements of the Company		–	–	–	–	(654)
		(67)	(1,610)	(806)	(2,207)	256
Total comprehensive income for the year/period attributable to owners of the Company, net of tax		50,077	80,304	132,373	10,387	68,895
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)						
Basic earnings per share	*37*	27.86	45.51	73.99	7	36.13
Diluted earnings per share	*37*	27.86	45.51	73.99	7	36.13

Consolidated Balance Sheets

	Note	As at December 31, 2018	2019	2020	As at April 30, 2021
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment	*17*	997	3,616	9,521	10,278
Right-of-use assets	*18*	2,913	11,571	7,550	21,471
Deferred income tax assets	*29*	1,209	21,561	41,632	39,839
Prepayments, deposits and other assets	*23*	799	1,692	1,910	2,927
Total non-current assets		5,918	38,440	60,613	74,515
Current assets					
Accounts receivables	*22*	535,385	1,158,041	1,808,817	1,895,645
Prepayments, deposits and other assets	*23*	132,740	223,993	289,014	414,042
Financial assets at fair value through other comprehensive income	*21*	69,319	99,903	66,944	63,721
Financial assets at fair value through profit or loss	*20*	38,306	–	–	80,004
Restricted cash	*24*	–	1,105	87,746	233
Cash and cash equivalents	*25*	9,810	59,168	130,155	70,267
Total current assets		785,560	1,542,210	2,382,676	2,523,912
Total assets		791,478	1,580,650	2,443,289	2,598,427

	Note	As at December 31, 2018	As at December 31, 2019	As at December 31, 2020	As at April 30, 2021
		RMB'000	RMB'000	RMB'000	RMB'000
LIABILITIES					
Non-current liabilities					
Lease liabilities	*18*	280	7,564	3,176	11,001
Deferred income tax liabilities	*29*	–	–	–	820
Total non-current liabilities		280	7,564	3,176	11,821
Current liabilities					
Accounts payables	*26*	444,266	887,099	1,475,505	1,253,246
Other payables and accruals	*27*	151,302	187,756	353,579	343,313
Borrowings	*28*	94,413	290,646	225,417	408,440
Lease liabilities	*18*	2,740	3,687	5,383	11,130
Contract liabilities	*8*	16,892	31,282	66,133	75,758
Current income tax liabilities		18,010	51,487	82,124	81,821
Total current liabilities		727,623	1,451,957	2,208,141	2,173,708
Total liabilities		727,903	1,459,521	2,211,317	2,185,529
EQUITY					
Equity attributable to owners of the Company					
Combined capital	*30*	10,000	10,000	10,000	–
Share capital	*30*	–	–	–	133
Share premium	*30*	–	–	–	167,201
Other reserves	*31*	8,433	7,073	6,737	(2,230)
Retained earnings		45,142	104,056	215,235	247,794
Total equity		63,575	121,129	231,972	412,898
Total liabilities and equity		791,478	1,580,650	2,443,289	2,598,427

Company Balance Sheets

	Note	As at December 31, 2020	As at April 30, 2021
		RMB'000	RMB'000
ASSETS			
Non-current assets			
Investments in subsidiary		–	8
Loans to subsidiary	*23*	–	163,918
Total non-current assets		–	163,926
Current assets			
Prepayments, deposits and other assets		65	65
Cash and cash equivalents		–	2,637
Total current assets		65	2,702
Total assets		65	166,628
LIABILITIES			
Current liabilities			
Other payables and accruals		–	5,377
Total liabilities		–	5,377
EQUITY			
Share capital	*30*	68	133
Share premium	*30*	–	167,201
Other reserves		(3)	(657)
Accumulated losses		–	(5,426)
Total equity		65	161,251
Total liabilities and equity		65	166,628

Consolidated Statements of Changes in Equity

	Note	Combined capital	Share capital	Share premium	Other reserves	Retained earnings	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended December 31, 2018							
At January 1, 2018		–	–	–	–	(2)	(2)
Profit for the year		–	–	–	–	50,144	50,144
Other comprehensive loss		–	–	–	(67)	–	(67)
Total comprehensive (loss)/income		–	–	–	(67)	50,144	50,077
Transactions with owners in their capacity as owners:							
Capital injection from owner	2	10,000	–	–	–	–	10,000
Appropriation to statutory reserves	31	–	–	–	5,000	(5,000)	–
Share-based compensation	32	–	–	–	3,500	–	3,500
		10,000	–	–	8,500	(5,000)	13,500
At December 31, 2018		10,000	–	–	8,433	45,142	63,575
Year ended December 31, 2019							
At January 1, 2019		10,000	–	–	8,433	45,142	63,575
Profit for the year		–	–	–	–	81,914	81,914
Other comprehensive loss		–	–	–	(1,610)	–	(1,610)
Total comprehensive (loss)/income		–	–	–	(1,610)	81,914	80,304
Transactions with owners in their capacity as owners:							
Dividends declared	16	–	–	–	–	(23,000)	(23,000)
Share-based compensation	32	–	–	–	250	–	250
		–	–	–	250	(23,000)	(22,750)
At December 31, 2019		10,000	–	–	7,073	104,056	121,129

	Note	Combined capital	Share capital	Share premium	Other reserves	Retained earnings	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended December 31, 2020							
At January 1, 2020		10,000	–	–	7,073	104,056	121,129
Profit for the year		–	–	–	–	133,179	133,179
Other comprehensive loss		–	–	–	(806)	–	(806)
Total comprehensive (loss)/income		–	–	–	(806)	133,179	132,373
Transactions with owners in their capacity as owners:							
Dividends declared	*16*	–	–	–	–	(22,000)	(22,000)
Share-based compensation	*32*	–	–	–	470	–	470
		–	–	–	470	(22,000)	(21,530)
At December 31, 2020		10,000	–	–	6,737	215,235	231,972
Four months ended April 30, 2020 (unaudited)							
At January 1, 2020		10,000	–	–	7,073	104,056	121,129
Profit for the period		–	–	–	–	12,594	12,594
Other comprehensive loss		–	–	–	(2,207)	–	(2,207)
Total comprehensive (loss)/income		–	–	–	(2,207)	12,594	10,387
Transactions with owners in their capacity as owners:							
Dividends declared	*16*	–	–	–	–	(22,000)	(22,000)
At April 30, 2020 (Unaudited)		10,000	–	–	4,866	94,650	109,516

	Note	Combined capital	Share capital	Share premium	Other reserves	Retained earnings	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Four months ended April 30, 2021							
At January 1, 2021		10,000	–	–	6,737	215,235	231,972
Profit for the period		–	–	–	–	68,639	68,639
Other comprehensive income		–	–	–	256	–	256
Total comprehensive income		–	–	–	256	68,639	68,895
Transactions with owners in their capacity as owners:							
Dividends declared	*16*	–	–	–	–	(40,000)	(40,000)
Effect of reorganisation	*30(a)*	(10,000)	–	–	10,000	–	–
Capital injection from shareholders of the Company	*30(c)*	–	13	167,253	–	–	167,266
Capitalization issuance of shares	*30(b)*	–	52	(52)	–	–	–
Deemed distribution to shareholders during the Reorganisation	*31(b)*	–	–	–	(14,220)	(1,080)	(15,300)
Others		–	68	–	(3)	–	65
		(10,000)	133	167,201	(4,223)	(41,080)	112,031
At April 30, 2021		–	133	167,201	2,770	242,794	412,898

Consolidated Statements of Cash Flows

	Note	Year ended December 31,			Four months ended April 30,	
		2018	2019	2020	2020	2021
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Cash flows from operating activities						
Cash (used in)/generated from operations	*33(a)*	(45,409)	(151,884)	214,273	47,289	(263,748)
Interest received		222	262	220	49	115
Income tax paid		(1,938)	(14,626)	(34,184)	(6,252)	(22,848)
Net cash (used in)/from operating activities		(47,125)	(166,248)	180,309	41,086	(286,481)
Cash flows from investing activities						
Purchases of property, plant and equipment		(1,320)	(3,529)	(9,592)	(1,333)	(1,965)
Proceeds from disposal of property, plant and equipment	*33(b)*	–	–	35	–	–
Purchases of financial assets at fair value through profit or loss		(663,158)	(2,267,453)	(1,854,660)	(926,160)	(145,000)
Proceeds from disposal of financial assets at fair value through profit or loss		625,387	2,307,292	1,855,530	836,559	65,313
Loans to a related party		(6,500)	–	–	–	–
Repayment of loan from a related party		6,500	–	–	–	–
Loan to a third party		–	–	(8,000)	–	–
Repayment of loan from a third party		–	–	8,000	–	–
Loans to key management personnel and staff		(2,000)	(2,110)	–	–	–
Repayment of loans from key management personnel and staff		–	–	3,000	–	500
Interest received		–	–	35	–	–
Net cash (used in)/from investing activities		(41,091)	34,200	(5,652)	(90,934)	(81,152)

	Note	Year ended December 31,			Four months ended April 30,	
		2018	2019	2020	2020	2021
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Cash flows from financing activities						
Proceeds of capital injection from shareholders	*30*	10,000	–	–	–	167,266
Deemed distribution to shareholders during the Reorganisation	*31(b)*	–	–	–	–	(15,300)
Dividends paid		–	–	(7,125)	–	(15,700)
Proceeds from borrowings from third parties		17,500	27,000	64,000	–	40,000
Repayment of borrowings from third parties		(7,500)	(26,000)	(20,000)	–	(10,000)
Proceeds from bank and factoring borrowings		20,000	715,100	1,955,383	484,883	860,643
Repayment of bank and factoring borrowings		–	(520,340)	(2,048,487)	(445,210)	(674,335)
Borrowings from related parties		122,110	12,719	1,524	32	21,877
Repayment of borrowings from related parties		(59,511)	(12,239)	(17,997)	–	(56,216)
Payment of lease liabilities		(1,792)	(3,647)	(4,318)	(650)	(3,792)
Interest paid		(3,310)	(11,187)	(26,650)	(8,446)	(8,041)
Net cash from/(used in) financing activities		97,497	181,406	(103,670)	30,609	306,402
Net increase/(decrease) in cash and cash equivalents		9,281	49,358	70,987	(19,239)	(61,231)
Cash and cash equivalents at beginning of the year/period		529	9,810	59,168	59,168	130,155
Exchange gains on cash and cash equivalents		–	–	–	–	1,343
Cash and cash equivalents at end of the year/period	*25*	9,810	59,168	130,155	39,929	70,267

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION

UJU HOLDING LIMITED (the "**Company**") was incorporated in the Cayman Islands on September 21, 2020 as an exempted company with limited liability under the Companies Act (as revised) of the Cayman Islands. The address of the Company's registered office is P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 - 1205 Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together referred as the "**Group**") are principally engaged in provision of one-stop cross-media online marketing solutions through media partners to market the products and services of the Group's advertiser customers in the People's Republic of China (the "**PRC**") (collectively referred to as the "**[REDACTED] Business**").

The ultimate holding company of the Company is Supreme Development Limited ("**Supreme Development**"), a company incorporated in the British Virgin Islands, and is controlled by Mr. Ma Xiaohui ("**Mr. Ma**"), the ultimate controlling shareholder (the "**Controlling Shareholder**") of the Group.

This Historical Financial Information are presented in Renminbi ("**RMB**") and all amounts are rounded to the nearest thousand of Renminbi (RMB'000), unless otherwise stated.

After the Coronavirus Disease 2019 ("**COVID-19**") outbreak in early 2020, a series of precautionary and control measures have been and continued to be implemented across the PRC. The Group prioritises the health and safety of its employees, and has taken various preventative and quarantine measures across the Group soon after the COVID-19 outbreak. As of the date of this report, the Group was not aware of any material adverse effects on the financial position and operating results of the Group. The Group will continue to closely monitor the development of the COVID-19 outbreak and take appropriate counter-measures if any adverse impact is arising.

2 REORGANISATION

Prior to the incorporation of the Company and the completion of the reorganisation (the "**Reorganisation**") as described below, the **[REDACTED]** Business was carried out by Uju Interactive (Beijing) Technology Co., Ltd. (優矩互動(北京)科技有限公司, "**Uju Beijing**") and its subsidiaries, mainly including Qingdao Uju Technology Co., Ltd. (青島優矩科技有限公司, "**Qingdao Uju**"), Hainan Uju Technology Co., Ltd. (海南優矩科技有限公司, "**Hainan Uju**"), Beijing Juliang Tongchuang Technology Co., Ltd. (北京矩量同創科技有限公司, "**Beijing Juliang**") and Shanghai Juqing Technology Co., Ltd. (上海矩擎科技有限公司, "**Shanghai Juqing**") (collectively the "**Uju Beijing Group**"). The Uju Beijing Group were controlled by the Controlling Shareholder throughout the years ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2021 (the "**Track Record Period**").

Uju Beijing, the major subsidiary of the Company, was established in the PRC on November 23, 2017 as a limited liability company (legal person sole investment) with an initial registered capital of RMB10,000,000. As at the date of incorporation of the Company, the entire 100% equity interests of Uju Beijing was wholly owned by Guangzhou Uju Information Technology Co., Ltd. ("**Guangzhou Uju**"), which is ultimately controlled by the Controlling Shareholder. On January 30, 2020, Mr. Ma and Mr. Xiong Xiangdong ("**Mr. Xiong**") reached the agreement, pursuant to which Mr. Xiong had invested RMB3,750,000 for the equity interest in Uju Beijing, through Winston Holdings International Limited ("**Winston**"), wholly owned by Mr. Xiong, which became a shareholder of Uju Beijing in September 2020 and its was agreed that, after completion of the Reorganization, Mr. Xiong's investment would be converted to an effective 0.68% equity interest of the Company. The initial registered capital of Uju Beijing was fully paid up on March 15, 2018.

Uju Beijing commenced business in 2018 and is mainly engaged in the business of providing online marketing solutions to its customers.

In preparation for the **[REDACTED]**, the Group underwent the Reorganisation which includes the following steps:

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on September 21, 2020, with authorised share capital of US$50,000 divided into 50,000 shares with a par value of US$1.00 each. On the date of incorporation and immediately before the Reorganisation, the Company was owned by Supreme Development as to 70% and Vast Business (BVI) Global Limited ("**Vast Business**") as to 30%, respectively. Vast Business is also controlled by Mr. Ma, the Controlling Shareholder of the Group.

On November 2, 2020, the Company incorporated Uju Hongkong Limited ("**Uju Hong Kong**") in Hong Kong for the purpose of holding the Uju Beijing Group. On the same day, Uju Hong Kong allotted and issued 10,000 shares to the Company as initial subscriber.

On February 8, 2021, Supreme Development transferred 13.6% equity interest in the Company to Aura Investment Holdings Limited ("**Aura**"), which is owned by Supreme Development as to 95% and Mr. Xiong as to 5%.

The Reorganisation was finally completed on March 3, 2021, upon entire equity interest in Uju Beijing were transferred to Uju Hongkong from Guangzhou Uju and Winston, Uju Beijing is then wholly owned by Uju Hong Kong and became a wholly-owned subsidiary of the Group.

Immediately after the Reorganisation, Uju Beijing was wholly owned by Uju Hong Kong.

On March 9, 2021, each of Aoji Education Development (China) Limited (澳際教育發展(中國)有限公司) (formerly known as Richjoin Investments Limited (富滙投資有限公司)), Clever Gain Management Limited (嘉顧管理有限公司), Market Harvest Limited , Sky Infinity Holdings Limited (藍天控股有限公司), Week8 Holdings (Singapore) Pte. Ltd., Gaorong Partners Fund V-A, L.P. and Gaorong Partners Fund V, L.P., as Pre-**[REDACTED]** Investors, agreed to subscribe for an aggregate of 10.0% of the total issued share capital of the Company prior to the issue of shares to be made upon **[REDACTED]** of certain sum standing to the credit of the share premium account of the Company ("**[REDACTED]**") and the **[REDACTED]**. There is no special right under the Pre-**[REDACTED]** investment agreements surviving upon **[REDACTED]**.

As at the date of this report and during the Track Record Period, the subsidiaries now comprising the Group are below:

Company name	Place and date of incorporation/ establishment	Principal activities	Issued and paid-in capital/ Registered capital	Percentage of attributable equity interest					Notes
				As at December 31,			As at April 30	At the date of this Historical Financial Information	
				2018	2019	2020	2021		
Uju Hong Kong	Hong Kong/ November 2, 2020	Investment holding	HKD 10,000	N/A	N/A	100%	100%	*100%*	(i)
Uju Beijing	The PRC/ November 23, 2017	Online marketing solutions	RMB160,000,000	100%	100%	100%	100%	*100%*	(ii)
Beijing Juliang	The PRC/ October 20, 2020	Online marketing solutions	RMB1,000,000	N/A	N/A	100%	100%	*100%*	(i)
Qingdao Uju	The PRC/ December 20, 2019	Online marketing solutions	RMB1,000,000	N/A	100%	100%	100%	*100%*	(i)
Hainan Uju	The PRC/ April 17, 2020	Online marketing solutions	RMB5,000,000	N/A	N/A	100%	100%	*100%*	(i)
Shanghai Juqing	The PRC/ November 13, 2020	Online marketing solutions	RMB1,000,000	N/A	N/A	100%	100%	*100%*	(i)
Chongqing Juqing Internet Technology Co., Ltd.	The PRC/ March 10, 2021	Online marketing solutions	RMB1,000,000	N/A	N/A	N/A	100%	*100%*	(i)

(i) No statutory audited financial statements were issued for these companies as they were newly incorporated or not required to issue audited financial statements under statutory requirements of their respective places of incorporation.

(ii) The statutory financial statements of Uju Beijing for the year ended December 31, 2018 were audited by Pan-China Certified Public Accountants LLP ("天健會計師事務所(特殊普通合夥)"), for the year ended December 31, 2019 were audited by Beijing Hongxin Certified Public Accountants ("北京宏信會計師事務所有限責任公司"), and for the year ended December 31, 2020 were audited by Beijing Hengxincheng Certified Public Accountants ("北京恒信誠會計師事務所有限公司").

All English names represent the best effort of the Company in translating the Chinese names, as they do not have official English names, and are for reference only.

3 BASIS OF PRESENTATION

During the Track Record Period, the [**REDACTED**] Business was conducted through the Uju Beijing Group controlled by the Controlling Shareholder. To rationalise the corporate structure in preparation of the [**REDACTED**] and the [**REDACTED**] of the Company's shares (collectively the "[**REDACTED**]"), the Group underwent the Reorganisation as detailed in the section headed "Reorganisation" in Note 2. Upon completion of the Reorganisation, the Company became the holding company of the Group. The Company has not been involved in any other business prior to the Reorganisation and do not meet the definition of a business. The Reorganisation is merely a recapitalisation of the [**REDACTED**] Business with no change in management and the owners of the [**REDACTED**] Business. Accordingly, the Group resulting from the Reorganisation is regarded as a continuation of the [**REDACTED**] Business under Uju Beijing Group.

The Historical Financial Information has been prepared by including the historical financial information of the companies engaged in the [**REDACTED**] Business, as if the current group structure had been in existence throughout the periods presented, or since the date when the combining companies first came under the control of the Uju Beijing Group, whichever is a shorter period.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied throughout the Track Record Period, unless otherwise stated.

4.1 Basis of preparation

(i) Compliance with IFRS

The Historical Financial Information have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") issued by International Accounting Standards Board ("**IASB**").

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 6.

(ii) Historical cost convention

The Historical Financial Information have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets measured at fair value.

(iii) New and amended standards adopted by the Group

The IASB has issued a number of new and amended IFRSs. For the purpose of preparing the Historical Financial Information, the Group has adopted all applicable new and amended IFRSs consistently throughout the Track Record Period except for any new or interpretation that are not yet effective.

(iv) New/amended standards and annual improvements not yet adopted

The following new/amended standards and annual improvements have been published (which may be applicable to the Group) but not mandatory for reporting periods ended on April 30, 2021 and have not been early adopted by the Group:

	New standards, amendments and annual improvements	Effective for annual periods beginning on or after
Amendments to IFRS 16	Covid-19-related Rent Concessions beyond June 30, 2021	April 1, 2021
Amendments to IFRS 3	Update reference to the Conceptual Framework	January 1, 2022
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	January 1, 2022
Amendments to IAS 37	Onerous Contracts – Costs of Fulfilling a Contract	January 1, 2022
Annual Improvements	Annual Improvements to IFRS Standards 2018-2020	January 1, 2022
IFRS 17	Insurance Contracts	January 1, 2023
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	January 1, 2023
Amendments to IAS 8	Definition of Accounting Estimates	January 1, 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities from a Single Transaction	January 1, 2023

The Group has already assessed the impact of these new/amended standards and annual improvements. According to the assessment made by the directors of the Company, no significant impact on the financial performance and position of the Group is expected when the aforesaid new/amended standards and annual improvements become effective.

4.2 Principles of consolidation and combination

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

4.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that makes strategic decisions.

4.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the

"**functional currency**"). The functional currency of the Company is Hong Kong dollar ("**HKD**"). The Group's primary subsidiaries are incorporated in the PRC and these subsidiaries unless consider RMB as their functional currency. As the major operations of the Group are within mainland China, the Group determined to present its combined financial statements in RMB.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses) – net.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at financial assets at fair value through profit or loss ("**FVPL**") are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income ("**FVOCI**") are recognised in other comprehensive income ("**OCI**").

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,

(ii) income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

(iii) all resulting exchange differences are recognised in OCI.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in OCI. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

4.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is 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 any

component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the lease term, if shorter, as follows:

Electronic equipment	3 years
Furniture and fixtures	5 years
Leasehold improvements	Shorter of estimated useful life and the lease term

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 4.6).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

4.6 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

4.7 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

– those to be measured subsequently at fair value (either through OCI or through profit or loss), and

– those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are

derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

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. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gain – net together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

– 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 FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gain – net. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gain/loss – net and impairment expenses are presented as separate line item in the statement of profit or loss.

– FVPL:

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gain/loss – net in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gain/loss - net in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For accounts receivables, the Group applies the simplified approach, which requires expected lifetime loss to be recognised from initial recognition of the receivables, see Note 5.1(b) for further details.

4.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

4.9 Accounts receivables

Accounts receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within one year and therefore all classified as current.

Accounts receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. Accounts receivables where the Group holds with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Accounts receivables where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets were classified as financial assets at FVOCI.

See Notes 21 and 22 for further information about the Group's accounting for accounts receivables and Note 4.7(d) for a description of the Group's impairment policies.

4.10 Cash and cash equivalents

For the purpose of presentation in the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, cash held at third party payment platform, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash that is restricted from withdrawal, from use or from being pledged as security is reported separately on the face of the combined balance sheets, and is not included in the total cash and cash equivalents in the consolidated statements of cash flows.

4.11 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4.12 Accounts and other payables

These amounts primarily represent liabilities for services provided to the Group prior to the end of financial year which are unpaid. Accounts and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

4.13 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

4.14 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

4.15 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet dates in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets and liabilities and where the deferred income tax balances relate to the same taxation authority. Current income tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

4.16 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Pension obligations

The entities within the Group registered in the PRC make employee benefit contributions based on certain percentage of the salaries of the employees to a defined contribution retirement benefit plan and medical benefit plan organised by relevant government authorities in the PRC on a monthly basis. The government authorities undertake to assume the retirement benefit obligations payable to the existing and future retired employees under these plans and the Group has no further obligations for the post-retirement benefits beyond the contributions made. Contributions to these plans are expensed as incurred. Assets of the plans are held and managed by government authorities and are separate from those of the Group.

(iii) Housing funds

The PRC employees of the Group are also entitled to participate in various government-sponsored housing funds. The Group contributes on a monthly basis to those funds based on a certain percentage of the employee's salaries. The Group's liabilities in respect of these funds is limited to the contributions payable in each period and the Group has no further obligation beyond the contributions made. The non-PRC employees are not covered by the housing funds.

4.17 Share-based payments

During the years ended December 31, 2018, 2019 and 2020, certain equity interests of Uju Beijing were transferred by Mr. Ma, the Controlling Shareholder, to the Group's employees at nil consideration which are vested immediately on the respective dates of transfer. The fair values of the equity interests transferred on the respective dates of transfer are recognised as benefit expenses with corresponding increases for the same amounts in equity. Information relating to the share incentive arrangement is set out in Note 32.

4.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

4.19 Revenue recognition

The Group generates revenue primarily from providing online marketing solutions. The description of principal activities from which the Group generates revenue is as follows:

The method the Group recognises revenue from its online marketing solutions business is affected by the role under each particular contract with customers. For contracts where the Group acts as a principal, the Group recognises revenue on a gross basis, while for contracts where the Group acts as an agent, the Group recognises revenue on a net basis. In determining whether the Group is acting as a principal or as an agent in the provision of online marketing solutions, it requires the Group's management's judgements and considerations of all relevant facts and circumstances, including but not limit to (a) whether the Group is primarily responsible for fulfilling the promise to provide the specified service; (b) whether the Group has inventory risk before the specified service has been transferred to a customer or after transfer of control to the customer; and (c) whether the Group has discretion in establishing the prices for the specified goods or service. Specifically, for all-in-one online marketing solution service, the Group recognises revenue on a gross basis; while for advertisement distribution service, the Group recognises revenue on a net basis. When the Group provides services to customers which are charged based on the time advertised under the cost-per-time ("**CPT**") model, control of services transfers over time and revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the services.

(i) All-in-one Online Marketing Solutions Services (Gross basis)

The Group provides one stop online marketing solutions, including traffic acquisition from top media platforms (i.e. online publishers), content production, big data analysis and advertising campaign optimisation, to the Group's advertisers. The Group charges the advertisers primarily based on a mix of CPC (i.e. "**Cost Per Click**") or CPT (i.e. "**Cost Per Time**") and recognise revenue when specified action, such as click-throughs, is performed. Media partners may also grant to the Group rebates (i) in the form of prepayments for future traffic acquisition; (ii) to net off the accounts payables the Group owed to them; or (iii) in cash mainly based on the gross spending of the advertisers.

While none of the factors individually are considered presumptive or determinative, in these arrangements the Group is the primary obligor and responsible for (i) identifying and contracting with third-party advertisers which the Group views as customers, and delivering the specified integrated services to the advertisers; (ii) bearing certain risks of loss to the extent that the cost incurred for producing contents, formulating advertisement campaign and acquiring user traffic from media platforms cannot be compensated by the total consideration received from the advertisers, which is similar to inventory risk; and (iii) performing all the billing and collection activities, including retaining credit risk. The Group has control in the specified service before that service is delivered to the advertiser and act as the principal of these arrangements and therefore recognises revenue earned and costs incurred related to these transactions on a gross basis. Under these arrangements, the rebates earned from the media partners are recorded as a reduction of cost of services.

(ii) Advertisement Distribution Services (Net basis)

The Group also provides traffic acquisition service only to distribute the advertisements produced by the advertisers online. The advertisements are published on the targeted media platforms as determined by the customers.

The Group is not the principal in this arrangement as the Group does not control the specified service before that service is delivered to the customer, because (i) the Group does not provide the all-in-one integrated services. Online publisher, rather than the Group, is primarily responsible for providing the media publishing service; (ii) the media platforms are identified and determined by the customers, rather than the Group. Therefore, the Group is not the principal in executing these transactions. The Group reports the amount received from the customers and the amounts paid to the media platforms related to these transactions on a net basis. Under these arrangements, media partners may also grant the Group rebates which are recorded as revenue in the combined statements of profit or loss.

The Group may offer rebates to customers as part of its incentive activities in some circumstances at its own discretion. Upon when the Group has decided to offer such incentive rebates to its customers, the rebates as offered under the abovementioned "All-in-one Online Marketing Solutions Services (Gross basis)" and "Advertisement Distribution Services (Net basis)" business models are both considered as variable considerations and hence recognised as a deduction of revenue for the period when the related promised services were transferred to the customers.

4.20 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (if any).

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares (if any).

4.21 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,

- amounts expected to be payable by the Group under residual value guarantees,
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases, which does not have recent third-party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

4.22 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

4.23 Interest income

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 14 below. Interest income from the Group's

investments in wealth management products classified as financial assets at fair value through profit or loss are included as other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

4.24 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to cost are deferred and recognised as income in the profit or loss over the period necessary to match them with the expense that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

5 FINANCIAL RISK MANAGEMENT

The Group's activities may expose it to a variety of financial risks: market risk (primarily foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the senior management of the Group and approved by the executive directors of the Company.

5.1 Financial risk factors

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency other than the functional currency of the each of the group companies. The transactions of the Company are denominated and settled in its functional currency, HKD. The functional currency of the subsidiaries operated in the PRC is RMB. The Group has no exposure to foreign currency risk at each year end of the Track Record Period as each of the group entities did not held any assets and liabilities denominated in currencies other than their respective functional currency.

(ii) Cash flow and fair value interest rate risk

Financial assets/liabilities with variable interest rate expose the Group to cash flow interest-rate risk and financial assets/liabilities with fixed interest rate expose the Group to fair value interest-rate risk. As at balance sheet date, all of the Group's borrowings bear interests at fixed interest rates (Note 28). Other than these borrowings, interest-bearing cash and cash equivalents, restricted cash and lease liabilities, the Group has no other significant interest-bearing assets or liabilities. The directors of the Company do not anticipate there is any significant impact resulted from the changes in interest rate.

(b) Credit risk

(i) Risk management

Credit risk is managed on a group basis.

The Group is exposed to credit risk primarily in relation to its cash and cash equivalents, financial assets at fair value through comprehensive income ("**FVOCI**"), wealth management products ("**WMP**") carried at FVPL issued by banks, as well as accounts and other receivables. The carrying amount of each class

of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

To manage credit risk, cash and cash equivalents are mainly placed with state-owned or reputable financial institutions in the PRC and reputable international financial institutions outside of the PRC. There has been no recent history of default in relation to these financial institutions. Majority of the WMPs are issued by financial institutions investing in low risk underlying assets, which mainly consist of bank deposits, treasury bond, central bank bill, local government debt, corporate bond or debt with high credit ratings. Thus, the directors of the Company were of the view the credit risk related to cash and cash equivalents and WMPs was insignificant.

To manage the risk arising from accounts receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of its counterparties.

The Group generated revenue from advertisers or its agencies. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group performed credit evaluation which focus on the customer's history of making payments and current ability to pay. The Group does not obtain collateral from customers.

The Group was exposed to concentration of credit risk on its account receivables (measured at amortised cost and fair value through other comprehensive income). As at December 31, 2018, 2019 and 2020 and April 30, 2021, approximately RMB355,858,000, RMB794,719,000, RMB1,265,924,000 and RMB1,156,823,000 respectively and accounted for approximately 59%, 64%, 67% and 60% of the Group's accounts receivables (measured at amortised cost and fair value through other comprehensive income) were due from the largest five customers (including the major customer A as mentioned in Note 8). Given the strong business relationship established with these customers, the regular payments made according to contract terms and the financial capability of these customers, the directors of the Company do not expect that there will be any significant credit risk from the non-performance of these customers.

(ii) Impairment of financial assets

Accounts receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all accounts receivables.

To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics and the aging of receivables. The expected loss rates are based on the payment profiles and the corresponding historical credit losses. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

And the recognition and measurement method of loss allowance for each category is measured separately:

– For accounts receivables due from customers grouped based on similar credit risk characteristics, the Group calculates the expected credit loss by referring to the historical credit loss experience, combining with the current situation and the forecast of future economic conditions and considering the accounts receivables aging and expected credit loss rate during the lifetime.

– For accounts receivables due from customers with different credit risks, such as the customers that the Group has identified with financial difficulties, the Group applies the individual identification method based on the characteristics of credit risk of each individual balance. The Group also applies the individual identification method for those customers with external credit ratings available.

The balance of each category of accounts receivables as at December 31, 2018, 2019 and 2020 and April 30, 2021 was as follows:

	Accounts receivables	Loss allowance	Net carrying amount
December 31, 2018	**RMB'000**	**RMB'000**	**RMB'000**
Accounts receivables			
Customers grouped based on similar credit risk characteristics	351,805	(100)	351,705
Customers with specific credit risks or credit ratings	183,795	(115)	183,680
	535,600	(215)	535,385

	Accounts receivables	Loss allowance	Net carrying amount
December 31, 2019	**RMB'000**	**RMB'000**	**RMB'000**
Accounts receivables			
Customers grouped based on similar credit risk characteristics	585,906	(21,403)	564,503
Customers with specific credit risks or credit ratings	647,958	(54,420)	593,538
	1,233,864	(75,823)	1,158,041

	Accounts receivables	Loss allowance	Net carrying amount
December 31, 2020	**RMB'000**	**RMB'000**	**RMB'000**
Accounts receivables			
Customers grouped based on similar credit risk characteristics	751,521	(48,262)	703,259
Customers with specific credit risks or credit ratings	1,186,725	(81,167)	1,105,558
	1,938,246	(129,429)	1,808,817

	Accounts receivables	Loss allowance	Net carrying amount
April 30, 2021	**RMB'000**	**RMB'000**	**RMB'000**
Accounts receivables			
Customers grouped based on similar credit risk characteristics	956,027	(58,710)	897,317
Customers with specific credit risks or credit ratings	1,077,041	(78,713)	998,328
	2,033,068	(137,423)	1,895,645

The loss allowance as at December 31, 2018, 2019 and 2020 and Aprl 30, 2021 was determined as follows for accounts receivables from customers which have been grouped based on similar credit risk characteristics:

	Less than 90 days	91-180 days	181-270 days	Over 270 days	Total
December 31, 2018	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
Expected loss rate	0.03%	0.03%	0.03%	–	0.03%
Accounts receivables gross carrying amount	335,608	9,101	7,096	–	351,805
Less: loss allowance	(95)	(3)	(2)	–	(100)
	335,513	9,098	7,094	–	351,705
December 31, 2019					
Expected loss rate	1.68%	13.19%	33.35%	100.00%	3.65%
Accounts receivables gross carrying amount	553,404	19,825	4,767	7,910	585,906
Less: loss allowance	(9,288)	(2,615)	(1,590)	(7,910)	(21,403)
	544,116	17,210	3,177	–	564,503
December 31, 2020					
Expected loss rate	2.83%	14.24%	45.32%	100.00%	6.42%
Accounts receivables gross carrying amount	677,913	43,838	12,658	17,112	751,521
Less: loss allowance	(19,170)	(6,244)	(5,736)	(17,112)	(48,262)
	658,743	37,594	6,922	–	703,259
April 30, 2021					
Expected loss rate	3.08%	15.04%	43.86%	100.00%	6.14%
Accounts receivables gross carrying amount	809,354	117,624	23,085	5,964	956,027
Less: loss allowance	(24,936)	(17,686)	(10,124)	(5,964)	(58,710)
	784,418	99,938	12,961	–	897,317

Throughout the Track Record Period, management kept monitoring closely the recoverability of accounts receivables.

Accounts receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and a bankrupt of a debtor.

Impairment losses on accounts receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other financial assets at amortised cost

Other financial assets at amortised cost mainly include deposits, loans receivables and other receivables. The Group considers the probability of default upon initial recognition of other receivables and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default on other receivables as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtors' ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtors;
- significant increases in credit risk on other financial instruments of the same debtors; or
- significant changes in the expected performance and behaviour of the debtors, including changes in the payment status of debtors, etc.

For the deposits, loans receivable and other receivables, management applies 3-stages model to assess the expected credit loss. Management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience.

In view of the history of cooperation with the debtors and collection from them, deposits, loans receivable and other receivables are classified in Stage 1 (i.e. debtors have low risk of default and strong capacity to meet contractual cash flows) and the loss allowance for other financial assets at amortised cost as at December 31/April 30, reconciles to the opening loss allowance as follows:

	Deposits	Loans and advances to key management personnel and staff	Other receivables	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Opening loss allowance as at January 1, 2018	–	–	–	–
Increase in the allowance recognised in profit or loss during the year	684	27	–	711
Closing loss allowance as at December 31, 2018	**684**	**27**	**–**	**711**
Increase in the allowance recognised in profit or loss during the year	144	27	5	176
Closing loss allowance as at December 31, 2019	**828**	**54**	**5**	**887**
Increase in the allowance recognised in profit or loss during the year	161	(23)	–	138
Closing loss allowance as at December 31, 2020	**989**	**31**	**5**	**1,025**
Increase in the allowance recognised in profit or loss during the period	194	8	15	217
Closing loss allowance as at April 30, 2021	**1,183**	**39**	**20**	**1,242**

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) include accounts receivables from a major customer B and bank acceptance bills receivables (Note 21). As there is no significant increase of credit risk since initial recognition, management considers that the expected credit loss is insignificant.

Financial assets at fair value through profit or loss

The Group is also exposed to credit risk in relation to investments that are measured at fair value through profit or loss. The maximum exposure throughout the Track Record Period is the carrying amount of these investments as set out in Note 20.

(c) Liquidity risk

To manage the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The table below analyses the Group's financial liabilities into relevant maturity grouping based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
At December 31, 2018	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
Accounts payables	444,266	–	–	444,266
Other payables and accruals (excluding non-financial liabilities)	120,828	–	–	120,828
Borrowings	95,171	–	–	95,171
Lease liabilities	2,819	325	–	3,144
	663,084	325	–	663,409

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
At December 31, 2019	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
Accounts payables	887,099	–	–	887,099
Other payables and accruals (excluding non-financial liabilities)	119,780	–	–	119,780
Borrowings	292,870	–	–	292,870
Lease liabilities	4,318	5,092	3,992	13,402
	1,304,067	5,092	3,992	1,313,151

At December 31, 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Accounts payables	1,475,505	–	–	1,475,505
Other payables and accruals (excluding non-financial liabilities)	180,062	–	–	180,062
Borrowings	229,647	–	–	229,647
Lease liabilities	5,437	3,647	–	9,084
	1,890,651	3,647	–	1,894,298

At April 30, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Accounts payables	1,253,246	–	–	1,253,246
Other payables and accruals (excluding non-financial liabilities)	183,692	–	–	183,692
Borrowings	412,164	–	–	412,164
Lease liabilities	12,592	8,171	2,963	23,726
	1,861,694	8,171	2,963	1,872,828

5.2 Capital 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 shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total liabilities divided by total assets. The gearing ratios at December 31, 2018, 2019 and 2020 and April 30, 2021 were as follows:

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Gearing ratio	92%	92%	91%	84%

5.3 Fair value estimation

(i) Fair value hierarchy

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table presents the Group's assets that are measured at fair value.

	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At December 31, 2018				
Financial assets at FVPL				
– WMPs	–	–	38,306	38,306
Financial assets at FVOCI				
– Accounts receivables	–	–	69,319	69,319
	–	–	107,625	107,625
At December 31, 2019				
Financial assets at FVOCI				
– Accounts receivables	–	–	81,656	81,656
– Bank acceptance bills	–	–	18,247	18,247
	–	–	99,903	99,903
At December 31, 2020				
Financial assets at FVOCI				
– Accounts receivables	–	–	66,944	66,944
At April 30, 2021				
Financial assets at FVPL				
– WMPs	–	–	80,004	80,004
Financial assets at FVOCI				
– Accounts receivables	–	–	37,858	37,858
– Bank acceptance bills	–	–	25,863	25,863
	–	–	143,725	143,725

The Group did not have any financial liabilities that were measured at fair value as of December 31, 2018, 2019 and 2020 and April 30, 2021.

There were no transfers between levels for recurring fair value measurements during the Track Record Period.

(ii) Valuation process and valuation techniques used to determine level 3 fair value

The Group has a team that manages the valuation exercise of level 3 instruments for financial reporting purpose. The team manages the valuation exercise of level 3 instrument on a case by case basis. At least once every year, the team would use valuation techniques to determine the fair value of the Group's level 3 instruments. External valuation experts will be involved when necessary.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments; and
- Discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The valuation of level 3 instruments mainly included investment in WMPs issued by banks and other financial institutions. As these instruments are not traded in an active market, their fair values have been determined by income approach to use a discounted cash flow analysis with an expected rate of return.

All the WMPs will mature within one year with variable return rates indexed to the performance of underlying assets. The fair values were determined based on discounted cash flow assuming the expected return will be obtained upon maturity.

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

		Range of inputs				
	Significant unobservable inputs	As at December 31,			As at April 30,	Relationship of unobservable inputs to fair values
		2018	2019	2020	2021	
Investments in WMPs	Expected return rate	2.15%-3.10%	N/A	N/A	2.27%-3.00%	The higher the expected return rate, the higher the fair value
Accounts receivables	Expected factoring rate	12%	12%	12%	12%	The higher the expected factoring rate, the lower the fair value
Bank acceptance bills	Discount rate	N/A	3.3%	N/A	2.67%	The higher the discount rate, the lower the fair value

For investments in WMPs, the estimated carrying amount as of December 31, 2018 and April 30, 2021 would have been RMB383,000 and RMB800,000 higher/lower should the expected return rate used in discounted cash flow analysis be higher/lower by 1% from management's estimates.

For accounts receivables at fair value through other comprehensive income, the estimated carrying amount as of December 31, 2018, 2019 and 2020 and April 30, 2021 would have been RMB693,000, RMB817,000, RMB669,000 and RMB378,000 lower/higher should the expected factoring rate used in discounted cash flow analysis be higher/lower by 1% from management's estimates.

For bank acceptance bills at fair value through other comprehensive income, the estimated carrying amount as of December 31, 2019 and April 30, 2021, would have been RMB182,000 and RMB259,000 lower/higher should the discount rate used in discounted cash flow analysis be higher/lower by 1% from management's estimates.

6 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

6.1 Determination of revenue recognition on gross or net basis

As disclosed in Note 4.19, the Group provides online marketing solution services to its customers, which involve the assessment of revenue recognition on a gross or net basis, i.e. principal vs agent assessment in different business models. The Group follows the accounting guidance for principal-agent considerations to assess whether the Group controls the specified service before it is transferred to the customer, the indicators of which including but not limited to (a) whether the Group is primarily responsible for fulfilling the promise to provide the specified service; (b) whether the Group has inventory risk before the specified service has been transferred to a customer; and (c) whether the Group has discretion in establishing the prices for the specified goods or service. The management considers the above factors in totality, as none of the factors individually are considered presumptive or determinative and applies judgment when assessing the indicators depending on each different circumstance.

6.2 Rebate from media partners

As disclosed in Note 4.19, media partners (or their authorized agencies) may grant the Group rebates in various forms. The Group records such rebates as reduction of cost of services under gross basis (where the Group acts as principal), or as revenue under net basis (where the Group acts as agent). The rebates earned by the Group from media partners (or their authorized agencies) come with a variety of structures and rates, which are primarily determined based on the contract terms with these media partners (or their authorized agencies), their applicable rebate policies, the business performances of the Group and the discretionary incentive programs as set up by the media partners (or the authorized agencies).

The Group accrues rebates from media partners based on evaluation as to whether the contractually stipulated thresholds of advertising spend are likely to being reached, or other benchmarks or certain prescribed classification are likely to being qualified. This determination requires significant judgment and estimation. In making this judgment and estimation, the Group evaluates based on the past experience and regular monitoring of various performance factors set within the rebate policies. Such rebates as a percentage of gross spending of the Group and the advertisers may fluctuate and are reviewed and adjusted from time to time.

6.3 Impairment of accounts receivables and other financial assets

The Group follows the guidance of IFRS 9 when assessing the expected credit losses of accounts receivables and other financial assets. This determination requires significant judgment and estimation. In making this judgment and estimation, the Group evaluates, among other factors, the aging of accounts receivables and the financial position and collection history of debtors and expected future changes in credit risks, including the consideration of factors such as general economy measure, changes in macroeconomic indicators etc. Further details are included in Note 5.1(b) to the Historical Financial Information.

6.4 Current and deferred income tax

The Group is subject to income taxes in different areas. Judgment is required in determining the provision for income taxes in each of these jurisdictions. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognized when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.

7 SEGMENT INFORMATION

The Group is principally engaged in the provision of all-in-one online marketing solutions services (including traffic acquisition from top media platforms, content production, big data analysis and advertising campaign optimisation) and also advertisement distribution services to the customers (which are primarily providing traffic acquisition service only) to customers in the PRC. For the purpose of resources allocation and performance assessment, the CODM focuses on the operating results of the Group as a whole. As a result, the CODM considers that the Group's business is operated and managed as a single reportable segment and accordingly no segment information is presented.

8 REVENUE FROM CONTRACTS WITH CUSTOMERS

An analysis of the Group's revenue from contracts with customers by category for the years ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2020 and 2021 was as follows:

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
All-in-one online marketing solution services	1,108,806	3,367,848	6,280,808	1,419,618	2,160,699
Advertisement distribution services	47,472	83,008	79,916	21,675	53,465
Total	1,156,278	3,450,856	6,360,724	1,441,293	2,214,164

An analysis of the Group's revenue from contracts with customers by the timing of revenue recognition for the years ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2020 and 2021 was as follows:

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Recognised at a point in time	833,083	2,750,262	5,487,140	1,279,941	1,947,537
Recognised over time	323,195	700,594	873,584	161,352	266,627
Total	1,156,278	3,450,856	6,360,724	1,441,293	2,214,164

The Group has concentration of credit risk from a major customer A as the customer contributed approximately 25%, 25% and 42%, 33% and 36% of the Group's total revenue for the years ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2020 and 2021, respectively.

As at December 31, 2018, 2019, 2020 and April 30, 2021, the accounts receivable balance from the aforesaid major customer A amounted to approximately RMB181,270,000, RMB588,397,000, RMB1,094,268,000 and RMB964,646,000 representing approximately 34%, 51%, 60% and 51% of the total Group's accounts receivable.

Except for the abovementioned major customer A, no other individual customer has contributed more than 10% of the Group's total revenue during the years ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2020 and 2021.

(a) Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Advance from customers	16,892	31,282	66,133	75,758

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying services are yet to be provided.

(i) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year/period	–	16,892	31,282	11,032	34,019

(b) Transaction price allocated to unsatisfied long-term contract

The Group generally enters into service contracts with customers for a contract term less than one year. Therefore, the Group has applied the practical expedient permitted under IFRS 15 "Revenue from Contracts with Customers" not to disclose the transaction price allocated to the unsatisfied performance obligations.

(c) Assets recognised from costs to fulfil a contract

While providing all-in-one solution service to customers, the Group may incur fulfilment costs including production cost of short video, etc. However, considering that the service is usually satisfied in a short period, the Group did not capitalise assets recognised from costs to fulfil a contract.

9 EXPENSES BY NATURE

The details of cost of services, selling expenses, general and administrative expenses and research and development expenses are as follows:

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Traffic acquisition and monitoring costs	1,020,215	3,172,187	5,936,274	1,346,549	2,035,759
Outsourcing short video production costs	132	2,083	13,475	1,609	9,824
Employee benefit expenses *(Note 10)*	35,095	59,712	116,135	30,597	59,449
Depreciation expenses	2,006	3,758	7,066	2,290	4,633
Professional service fees	267	2,670	4,189	1,065	1,976
Taxes and surcharges	13,361	2,604	5,496	1,392	3,034
Office expenses	1,054	1,589	4,357	697	1,859
Travelling expenses	5,028	8,227	4,917	861	871
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	5,469	5,438	8,402	3,936	1,241
Total	1,082,627	3,258,268	6,103,217	1,388,996	2,129,399

10 EMPLOYEE BENEFIT EXPENSE

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Wages, salaries and bonuses	24,043	46,308	102,468	27,543	47,759
Pension costs – defined contribution plans	2,824	4,871	483	483	4,981
Other social security costs, housing benefits and other employee benefits	4,728	8,283	12,714	2,571	6,709
Share-based compensation expenses for employees *(Note 32)*	3,500	250	470	–	–
Total	35,095	59,712	116,135	30,597	59,449

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include 2, 2, 2, 2 and 1 directors for the years ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2020 and 2021 respectively, whose emoluments are reflected in the analysis shown in Note 36 for each of the Track Record Period.

The emoluments payable to the remaining 3, 3, 3, 3 and 4 highest paid individuals during the Track Record Period are as follows:

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Wages, salaries and bonuses	2,809	3,184	3,188	997	2,948
Pension costs – defined contribution plans	161	144	10	10	78
Other social security costs, housing benefits and other employee benefits	169	179	161	61	65
	3,139	3,507	3,359	1,068	3,091

Their emoluments fell within the following bands:

	Number of individuals				
	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
				(Unaudited)	
Emolument bands (in HKD)					
Nil – 1,000,000	2	1	–	3	3
1,000,001 - 1,500,000	–	1	2	–	1
1,500,001 - 2,000,000	1	–	1	–	–
2,000,001 - 2,500,000	–	1	–	–	–
	3	3	3	3	4

11 NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Provision for impairment losses					
– Accounts receivables	215	77,317	53,606	26,826	7,994
– Other receivables	711	176	138	100	217
Total	926	77,493	53,744	26,926	8,211

12 OTHER INCOME

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Government grants	–	3,459	2,595	8	29
Investment income on wealth management products	535	1,533	870	403	317
Value-added tax additional deduction *(note)*	–	1,680	–	–	26,000
Others	–	247	51	–	289
Total	535	6,919	3,516	411	26,635

Note:

Pursuant to the Announcement on Relevant Policies for Deepening the Value-added Tax Reform' (Cai Shui Haiguan [2019] 39) jointly issued by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs, the Group's subsidiary Uju Beijing, as a modern service company, qualifies for additional 10% deduction of input VAT from output VAT from April 1, 2019 to December 31, 2021. The additional deduction is recognised as other income when its incurred.

13 OTHER LOSSES, NET

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Late surcharge and penalties	90	559	1,494	150	–
Others	131	122	156	86	44
Total	221	681	1,650	236	44

14 FINANCE COSTS, NET

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Interest income from bank deposits	222	262	220	49	118
Others	–	–	35	–	–
Finance income	222	262	255	49	118
Interest expenses on					
– bank borrowings	(334)	(5,033)	(3,864)	(1,363)	(1,722)
– factoring borrowings	–	(892)	(14,656)	(4,606)	(2,853)
– borrowings from third parties	(638)	(243)	(3,021)	(361)	(3,417)
– borrowings from related parties	(2,972)	(3,601)	(3,622)	(1,274)	(806)
– discount of bank acceptance bills	(229)	(1,411)	(1,836)	(690)	–
– lease liabilities *(Note 18)*	(184)	(213)	(687)	(237)	(406)
Finance costs	(4,357)	(11,393)	(27,686)	(8,531)	(9,204)
Finance costs, net	(4,135)	(11,131)	(27,431)	(8,482)	(9,086)

15 INCOME TAX EXPENSES

Income tax expense during the Track Record Period comprise of:

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Current income tax	19,947	48,103	64,821	11,800	22,545
Deferred income tax *(Note 29)*	(1,187)	(19,815)	(19,802)	(7,330)	2,875
Income tax expense	18,760	28,288	45,019	4,470	25,420

(a) Cayman Islands Income Tax

The Company is incorporated as an exempted company with limited liability under the Companies Act (as revised) of the Cayman Islands and is not subject to Cayman Islands income tax.

(b) Hong Kong Profits Tax

Hong Kong profits tax rate is 16.5% up to April 1, 2018. When the two-tiered profits tax regime took effect on April 1, 2018, the applicable Hong Kong profits tax rate is 8.25% for assessable profits on the first HK$2 million and 16.5% for any assessable profits in excess of HK$2 million. During the Track Record Period, Hong Kong profits tax was not provided as there were no taxable profits deriving from Hong Kong.

(c) PRC Corporate Income Tax

Corporate income tax ("**CIT**") in the PRC is calculated based on the statutory profit or loss of subsidiaries incorporated in the PRC in accordance with the PRC tax laws and regulations, after adjusting certain income and expense items, which are not assessable or deductible for income tax purposes. According to the PRC Corporate Income Tax Law promulgated by the PRC government, the tax rate for the Company's PRC subsidiaries is 25% except that Qingdao Uju enjoys the CIT tax rate of 20% as a small and low-profit enterprise and Hainan Uju enjoys the preferential CIT tax rate of 15%.

(d) PRC Withholding Tax ("WHT")

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after January 1, 2008 are generally subject to a 10% WHT. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%.

During the Track Record Period, the Group had distributed certain portion of Uju Beijing's retained earnings to Guangzhou Uju (Note 16). After completion of reorganisation in 2021, the Group does not have any plan to further distribute the retained earnings of all PRC subsidiaries and intends to retain them for the operation and expansion of the Group's business in the PRC. Accordingly, no deferred income tax liability in connection with the aforesaid undistributed retained earnings has been recognised as at the end of each reporting period. As of December 31, 2018, 2019 and 2020 and April 30, 2021, the undistributed retained earnings of those PRC subsidiaries amounted to approximately RMB45,142,000, RMB104,056,000, RMB215,235,000 and RMB247,794,000 respectively.

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the applicable tax rate of PRC, the principal place of the Group's operations, as follows:

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Profit before income tax	68,904	110,202	178,198	17,064	94,059
Tax at the PRC statutory tax rate of 25%	17,226	27,551	44,550	4,266	23,514
Effects of preferential tax rates applicable to eligible subsidiaries	–	–	–	1	1,999
Effect of expenses not deductible for income tax purposes	1,534	737	1,247	215	(320)
Temporary differences and tax losses for which no deferred income tax asset was recognized	–	–	–	–	241
Others	–	–	(778)	(12)	(14)
Income tax expense	18,760	28,288	45,019	4,470	25,420

16 DIVIDENDS

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000 (Note)
Dividends declared by Uju Beijing to Guangzhou Uju	–	23,000	22,000	22,000	40,000

Except for the above, no dividends have been paid or declared by the Company or the companies now comprising the Group during the Track Record Period.

Note:

Upon completion of re-organization on March 3, 2021, as described in Note 2, Guangzhou Uju became a related party of the Company. Therefore, the dividends declared but not yet paid to Guangzhou Uju as of April 30, 2021 of RMB62,175,000 was presented as amount due to a related party (Notes 27 and 35(e)).

17 PROPERTY, PLANT AND EQUIPMENT

	Electronic equipment	Furniture and fixtures	Leasehold improvement	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2018				
Cost	–	–	–	–
Accumulated depreciation	–	–	–	–
Net book amount	–	–	–	–
Year ended December 31, 2018				
Opening net book amount	–	–	–	–
Additions	737	141	442	1,320
Disposals	(32)	–	–	(32)
Depreciation charge	(100)	(19)	(172)	(291)
Closing net book amount	605	122	270	997
At December 31, 2018				
Cost	705	141	442	1,288
Accumulated depreciation	(100)	(19)	(172)	(291)
Net book amount	605	122	270	997
Year ended December 31, 2019				
Opening net book amount	605	122	270	997
Additions	2,023	–	1,347	3,370
Depreciation charge	(428)	(27)	(296)	(751)
Closing net book amount	2,200	95	1,321	3,616
At December 31, 2019				
Cost	2,728	141	1,789	4,658
Accumulated depreciation	(528)	(46)	(468)	(1,042)
Net book amount	2,200	95	1,321	3,616

	Electronic equipment	Furniture and fixtures	Leasehold improvement	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Year ended December 31, 2020				
Opening net book amount	2,200	95	1,321	3,616
Additions	4,425	216	3,410	8,051
Disposals	(34)	(6)	–	(40)
Depreciation charge	(1,036)	(44)	(1,026)	(2,106)
Closing net book amount	5,555	261	3,705	9,521
At December 31, 2020				
Cost	7,119	351	5,199	12,669
Accumulated depreciation	(1,564)	(90)	(1,494)	(3,148)
Net book amount	5,555	261	3,705	9,521
Four months ended April 30, 2020 (Unaudited)				
Opening net book amount	2,200	95	1,321	3,616
Additions	225	–	1,190	1,415
Depreciation charge	(287)	(9)	(70)	(366)
Closing net book amount	2,138	86	2,441	4,665
At April 30, 2020 (Unaudited)				
Cost	2,953	141	2,979	6,073
Accumulated depreciation	(815)	(55)	(538)	(1,408)
Net book amount	2,138	86	2,441	4,665
Four months ended April 30, 2021				
Opening net book amount	5,555	261	3,705	9,521
Additions	348	–	2,005	2,353
Depreciation charge	(761)	(22)	(813)	(1,596)
Closing net book amount	5,142	239	4,897	10,278
At April 30, 2021				
Cost	7,467	351	7,204	15,022
Accumulated depreciation	(2,325)	(112)	(2,307)	(4,744)
Net book amount	5,142	239	4,897	10,278

Depreciation were charged to profit or loss and presented in the following categories in the consolidated statements of profit or loss and other comprehensive income:

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Cost of services	96	199	768	52	630
Selling expenses	36	41	107	7	66
General and administrative expenses	159	511	1,230	307	895
Research and development expenses	–	–	1	–	5
	291	751	2,106	366	1,596

18 LEASES

(a) Right-of-use assets

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Leased properties	2,913	11,571	7,550	21,471

(b) Lease liabilities

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Current	2,740	3,687	5,383	11,130
Non-current	280	7,564	3,176	11,001
	3,020	11,251	8,559	22,131

The amounts recognised profit or loss and presented in the consolidated statements of profit or loss and other comprehensive income are summarised as below:

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Depreciation charge of right-of-use assets	1,715	3,007	4,960	1,924	3,037
Interest expense (included in finance costs) *(Note 14)*	184	213	687	237	406
Expense relating to short-term leases (included in cost of services, selling expenses, and general and administrative expenses)	1,388	678	644	107	140

For the years ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2020 and 2021, the total cash outflow from financing activities for leases were RMB1,792,000, RMB3,647,000, RMB4,318,000, RMB650,000 and RMB3,792,000 respectively, and the total cash outflow from operating activities for short-term leases were RMB1,388,000, RMB678,000, RMB644,000, RMB107,000 and RMB140,000, respectively.

19 FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

		As at December 31,			As at April 30,
		2018	2019	2020	2021
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets					
Financial assets at amortised cost					
Prepayments, deposits and other assets (excluding non-financial assets)	*23*	112,058	120,699	167,765	201,872
Accounts receivables	*22*	535,385	1,158,041	1,808,817	1,895,645
Restricted cash	*24*	–	1,105	87,746	233
Cash and cash equivalents	*25*	9,810	59,168	130,155	70,267
Financial assets at fair value through other comprehensive income ("**FVOCI**")	*21*	69,319	99,903	66,944	63,721
Financial assets at fair value through profit or loss ("**FVPL**")	*20*	38,306	–	–	80,004
		764,878	1,438,916	2,261,427	2,311,742

		As at December 31,			As at April 30,
		2018	2019	2020	2021
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
Financial liabilities					
Financial liabilities at amortised cost					
Accounts payables	*26*	444,266	887,099	1,475,505	1,253,246
Other payables and accruals (excluding non-financial liabilities)	*27*	120,828	119,780	180,062	183,692
Borrowings	*28*	94,413	290,646	225,417	408,440
Lease liabilities	*18*	3,020	11,251	8,559	22,131
		662,527	1,308,776	1,889,543	1,867,509

20 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Investments in wealth management products issued by reputable commercial banks	38,306	–	–	80,004

The short-term investments measured at fair value through profit or loss as of December 31, 2018 and April 30, 2021 were investments in wealth management products denominated in RMB, with expected rates of return ranging from 2.15% to 3.10% per annum. The returns of the investments in these wealth management products were not guaranteed, hence their contractual cash flows did not qualify for solely payments of principal and interest. Therefore, they were measured as financial assets at fair value through profit or loss. None of these investments were past due.

(i) Amounts recognised in profit or loss

The carrying amount of the financial assets was a reasonable approximation of their fair value due to the short-term investment period and stable yield rate. Interest income of RMB535,000, RMB1,533,000, RMB870,000, RMB403,000 and RMB317,000 were recognised in other income for the years ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2020 and 2021 respectively.

(ii) Risk exposure and fair value measurements

Information about the methods and assumptions used in determining fair value has been set out in Note 5.3.

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Accounts receivables	69,319	81,656	66,944	37,858
Bank acceptance bills	–	18,247	–	25,863
	69,319	99,903	66,944	63,721

The Group has regularly discounted bank acceptance bills as collected from its customers or factored the accounts receivables from a major customer B to financial institutions (without any right of recourse) for financing its working capital.

Considering the contractual cash flows of the bank acceptance bills and accounts receivables from the abovementioned major customer B were solely payments of principal and interest and these financial assets are held by the Group for both collection of contractual cash flows and selling of the related financial assets, the Group has accounted for these discounted bank acceptance bills and the accounts receivables from that major customer B as financial assets at fair value through other comprehensive income.

(i) Amounts recognised in other comprehensive income

The carrying amount of the financial assets was a reasonable approximation of their fair value due to the short maturity date and stable yield rate. Loss, net of tax of RMB67,000, RMB1,610,000, RMB806,000, RMB2,207,000 and RMB788,000 were recognised in other comprehensive income for the years ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2020 and 2021 respectively.

(ii) Risk exposure and fair value measurements

Information about the methods and assumptions used in determining fair value has been set out in Note 5.3.

22 ACCOUNTS RECEIVABLES

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Current assets				
Accounts receivables	535,600	1,233,864	1,938,246	2,033,068
Less: credit loss allowance *(Note 5.1(b))*	(215)	(75,823)	(129,429)	(137,423)
Accounts receivables – net	535,385	1,158,041	1,808,817	1,895,645

Accounts receivables are all dominated in RMB and due to the short-term nature of these current receivables, their carrying amounts are considered to approximate their fair values.

An aging analysis of the gross accounts receivables as at December 31, 2018, 2019 and 2020 and April 30, 2021, based on invoice date, is as follows:

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Within 90 days	519,403	1,014,178	1,809,719	1,270,915
91 days – 180 days	9,101	196,059	48,020	672,839
181 days – 270 days	7,096	5,398	15,574	35,929
271 days – 1 year	–	2,179	12,663	1,833
Over 1 year	–	16,050	52,270	51,552
	535,600	1,233,864	1,938,246	2,033,068

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9 "Financial Instruments". Movement in provision for expected credit losses that has been recognised for accounts receivables is as follows:

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
At the beginning of the year/period	–	(215)	(75,823)	(75,823)	(129,429)
Credit loss allowance recognised, net	(215)	(77,317)	(53,606)	(26,826)	(7,994)
Receivables written off during the year/period as uncollectable	–	1,709	–	–	–
At the end of the year/period	(215)	(75,823)	(129,429)	(102,649)	(137,423)

23 PREPAYMENTS, DEPOSITS AND OTHER ASSETS

Group

	As at 31 December			As at April 30,
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Deposits to media platforms	108,596	105,182	154,423	185,464
Rental and other deposits	1,099	10,480	10,585	12,342
Prepayments to media platforms and suppliers	7,290	101,042	84,661	163,632
Value-added tax recoverable	14,191	3,944	37,530	47,173
Loans and advances to key management personnel and staff	3,067	5,384	3,262	4,150
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	7	540	520	1,158
	134,250	226,572	291,949	418,211
Less: loss allowance for deposits and other assets	(711)	(887)	(1,025)	(1,242)
	133,539	225,685	290,924	416,969
Less: non-current rental deposits	(799)	(1,692)	(1,910)	(2,927)
	132,740	223,993	289,014	414,042

Company

	As at December 31,	As at April 30,
	2020	2021
	RMB'000	RMB'000
Loans to subsidiary (a)	–	163,918

(a) These loans to subsidiary are unsecured, interest-free and repayable on demand. As at April 30, 2021, its repayment is neither planned nor likely to occur within twelve months.

24 RESTRICTED CASH

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Restricted bank balances	–	1,105	87,746	233

The restricted bank balances are all denominated in RMB and mainly represent the amounts as deposited in a designated bank account for the cash receipts from a major customer A (certain accounts receivables from which have already been factored to a financial institution under a factoring agreement) and the use of any monies as deposited in this designated bank account is subject to the prior approval from the aforesaid financial institution.

25 CASH AND CASH EQUIVALENTS

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Cash on hand	37	44	134	214
Cash at bank *(i)*	9,773	58,931	128,021	69,953
Cash equivalents *(ii)*	–	193	2,000	100
	9,810	59,168	130,155	70,267

Notes:

(i) Cash at bank 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.

(ii) Cash equivalents represent cash balances in third party payment platform which can be withdrawn at any time at the Group's discretion.

26 ACCOUNTS PAYABLES

Aging analysis of the accounts payables as at December 31, 2018, 2019 and 2020 and April 30, 2021, based on the date of recognition are as follows:

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Less than 6 months	444,266	886,198	1,473,116	1,249,562
6 months to 1 year	–	542	1,862	3,009
Over 1 year	–	359	527	675
	444,266	887,099	1,475,505	1,253,246

Accounts payables are all denominated in RMB and the carrying amounts of which are considered to approximate their fair values due to their short-term in nature.

27 OTHER PAYABLES AND ACCRUALS

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Cost payable to media platforms on behalf of customers *(a)*	29,719	27,136	54,647	45,189
Deposits from customers	87,668	65,390	70,188	62,476
Dividend payable *(b)*	–	23,000	37,875	–
Amount due to related parties *(Notes b and 35(e))*	2,612	3,098	3,926	62,724
[REDACTED]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Others	829	1,156	9,552	8,295
Total financial liabilities	120,828	119,780	180,062	183,692
Value-added tax payable	22,960	52,641	132,119	120,954
Other taxes payable	150	1,501	2,139	1,473
Payroll and welfare payable	7,364	13,834	39,259	37,194
	151,302	187,756	353,579	343,313

(a) The amounts represented the traffic acquisition costs as prepaid by customers which the Group is providing advertising distribution services to them and the amounts as collected by the Group will be wholly settled to media platforms on behalf of these customers.

(b) As mentioned in Note 16, Guangzhou Uju became a related party of the Company upon the completion of Reorganization on March 3, 2021. Therefore, the dividend declared but not yet paid as of April 30, 2021 was presented as amounts due to related parties (Note 35(e)).

The amount due to related parties were non-trade in nature. The Directors confirmed that the non-trade balances will be settled prior to **[REDACTED]**.

28 BORROWINGS

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Bank borrowings, secured and guaranteed *(a)*	20,012	58,074	70,053	110,354
Factoring borrowings *(b)*	–	156,993	51,905	198,014
Borrowings from third parties *(c)*	10,302	11,000	55,353	85,987
Borrowings from related parties *(d)*	64,099	64,579	48,106	14,085
	94,413	290,646	225,417	408,440

(a) The secured and guaranteed bank borrowings bear interests at fixed interest rate of 5.2635%, 5.15%-5.44%, 4%-5% and 3.85%-9.6% per annum as of December 31, 2018, 2019 and 2020 and April 30, 2021, respectively. These borrowings are guaranteed by independent third parties and related

parties of the Group (Note 35(f)). The Directors confirmed that the guarantee provided by related parties shall be released prior to [**REDACTED**].

(b) In July 2019, the Group has entered into a factoring agreement with a financial institution, pursuant to which, the Group will factor its accounts receivable from the major customer A as mentioned in Note 8 on a regular basis. The factoring agreement is with the recourse clauses in favor to the financial institution and hence the Group has recognised factoring borrowings based on the amounts of proceeds as collected from the factoring of accounts receivables to the financial institution. The effective interest rate applicable to these factoring borrowings is 10% per annum as of December 31, 2019 and 2020 and April 30, 2021. Under the factoring arrangement, all the cash receipts from the major customer A have to be deposited in a designated bank account and the use of any monies as deposited in that designated bank accounts is subject to the prior approval from the financial institution (Note 24).

(c) The borrowings from third parties as at December 31, 2018 bore interests at a fixed rate of 12% per annum while the borrowing as at December 31, 2019 was interest free. The borrowings from third parties as at 31 December 2020 comprise of borrowings of RMB20,000,000 and RMB35,000,000 which bear interests at fixed rates of 10% and 12%, respectively. The borrowings from third parties as at April 30, 2021 comprise of borrowings of RMB20,000,000, RMB30,000,000 and RMB35,000,000 which bear interests at fixed rates of 10%, 12% and 12%, respectively. All the abovementioned borrowings from third parties are unsecured and repayable within one year.

(d) The amounts as of December 31, 2018, 2019 and 2020 represent borrowings from Guangzhou Uju which are unsecured, bear interest at the fixed rate of 6% per annum and have no fixed terms of repayment.

The amount as of April 30, 2021 comprise of borrowings from Guangzhou Uju and Mr. Ma Xiaohui of RMB7,677,000 and RMB6,408,000 respectively which are unsecured, bear interest at fixed rate of 6% and 8% per annum, respectively and have no fixed terms of repayment.

At December 31, 2018, 2019, 2020 and April 30, 2021, the Group's borrowings were all considered as repayable within 1 year.

29 DEFERRED INCOME TAX

Deferred income tax is calculated in full on temporary differences under the liability method using the tax rates at which are expected to be applied at the time of reversal of the temporary differences.

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Deferred income tax assets:				
– Deferred income tax asset to be settled after more than 12 months	671	3,393	3,199	2,750
– Deferred income tax asset to be settled within 12 months	1,449	21,635	41,775	42,982
	2,120	25,028	44,974	45,732
Deferred income tax liabilities:				
– Deferred income tax liability to be recovered after more than 12 months	267	2,108	1,827	3,570
– Deferred income tax liability to be recovered within 12 months	644	1,359	1,515	3,143
	911	3,467	3,342	6,713

The deferred income tax assets (after the set off of deferred income tax liabilities pursuant to set off provisions) are as below:

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Deferred income tax assets	1,209	21,561	41,632	39,839
Deferred income tax liabilities	–	–	–	820

The gross movement of deferred income tax assets/liabilities is as follows:

Deferred income tax assets	Credit loss allowance	Lease liabilities	Accrued liabilities and provisions	Fair value changes of financial assets	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2018	–	–	–	–	–
Credited to profit or loss	232	755	1,111	–	2,098
Recognised in other comprehensive income	–	–	–	22	22
At December 31, 2018	232	755	1,111	22	2,120
Credited to profit or loss	18,946	2,058	1,367	–	22,371
Recognised in other comprehensive income	–	–	–	537	537
At December 31, 2019	19,178	2,813	2,478	559	25,028
Credited/(charged) to profit or loss	13,436	(673)	6,397	517	19,677
Recognised in other comprehensive income	–	–	–	269	269
At December 31, 2020	32,614	2,140	8,875	1,345	44,974
At January 1, 2020	19,178	2,813	2,478	559	25,028
Credited to profit or loss	6,731	132	198	5	7,066
Recognized in other comprehensive income	–	–	–	735	735
At April 30, 2020 (Unaudited)	25,909	2,945	2,676	1,299	32,829
At January 1, 2021	32,614	2,140	8,875	1,345	44,974
Credited/(charged) to profit or loss	808	3,393	(3,188)	(517)	496
Recognized in other comprehensive income	–	–	–	262	262
At April 30, 2021	33,422	5,533	5,687	1,090	45,732

Deferred income tax liabilities	Fair value changes of financial assets	Right-of-use assets	Depreciation of property, plant and equipment	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2018	–	–	–	–
Charged to profit or loss	1	728	182	911
At December 31, 2018	1	728	182	911
(Credited)/charged to profit or loss	(1)	2,165	392	2,556
At December 31, 2019	–	2,893	574	3,467
(Credited)/charged to profit or loss	–	(1,006)	881	(125)
At December 31, 2020	–	1,887	1,455	3,342
At January 1, 2020	–	2,893	574	3,467
Credited to profit or loss	–	(246)	(19)	(265)
At April 30, 2020 (Unaudited)	–	2,647	555	3,202
At January 1, 2021	–	1,887	1,455	3,342
(Credited)/charged to profit or loss	–	3,481	(110)	3,371
At April 30, 2021	–	5,368	1,345	6,713

30 SHARE CAPITAL

	Number of ordinary shares	Nominal value of ordinary shares
		USD
Authorised shares:		
Authorised shares at December 31, 2020 and April 30, 2021 – US$1 each	50,000	50,000

	Number of ordinary shares	Nominal value of ordinary shares
		RMB'000
Issued but not fully paid:		
Issuance of shares upon incorporation of the Company (a)	10,000	68
At December 31, 2020	10,000	68
Capitalization issuance of shares (b)	8,000	52
	18,000	120
Issued and fully paid:		
Increase in issued shares (c)	2,000	13
At April 30, 2021	20,000	133

As mentioned in Note 2 ,the Reorganisation has been completed as of March 3, 2021. Combined capital as December 31, 2018, 2019 and 2020 represented the combined capital including the registered capital and contributions from owners of the companies now comprising the Group after elimination of inter-company investments. Upon completion of the Reorganisation on March 3, 2021, the combined capital was reclassified to capital reserves.

(a) The Company was incorporated in the Cayman Islands on September 21, 2020 with authorized share capital of USD50,000 divided into 50,000 shares with a par value of USD1.00 each. On the same day, 10,000 shares of the Company with nominal value of USD10,000 (equivalent to approximately RMB68,000) have been issued to the Company's shareholders.

(b) The Company capitalized USD8,000 (equivalent to approximately RMB52,000) standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 8,000 shares for allotment and issue to holders of the shares on March 9, 2021.

(c) As mentioned in Note 2, the Company newly issued 2,000 shares to Pre-[**REDACTED**] investors, with nominal value of USD2,000 (equivalent to approximately RMB13,000) and consideration of HKD200,000,000 (equivalent to approximately RMB167,266,000) was fully paid by these Pre-[**REDACTED**] investors in March 2021.

31 OTHER RESERVES

	Statutory reserves (Note)	Merge reserve/ combined capital and reserve	Financial assets at FVOCI	Share-based payment	Foreign currency translation	Total other reserves
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2018	–	–	–	–	–	–
Appropriation to statutory reserves *(a)*	5,000	–	–	–	–	5,000
Revaluation loss – gross	–	–	(89)	–	–	(89)
Deferred income tax credit	–	–	22	–	–	22
Share-based payments *(Note 32)*	–	–	–	3,500	–	3,500
At December 31, 2018	5,000	–	(67)	3,500	–	8,433
At January 1, 2019	5,000	–	(67)	3,500	–	8,433
Revaluation loss – gross	–	–	(2,147)	–	–	(2,147)
Deferred income tax credit	–	–	537	–	–	537
Share-based payments *(Note 32)*	–	–	–	250	–	250
At December 31, 2019	5,000	–	(1,677)	3,750	–	7,073
At January 1, 2020	5,000	–	(1,677)	3,750	–	7,073
Revaluation loss – gross	–	–	(1,075)	–	–	(1,075)
Deferred income tax credit	–	–	269	–	–	269
Share-based payments *(Note 32)*	–	–	–	470	–	470
At December 31, 2020	5,000	–	(2,483)	4,220	–	6,737
At January 1, 2020	5,000	–	(1,677)	3,750	–	7,073
Revaluation – gross	–	–	(2,942)	–	–	(2,942)
Deferred income tax credit	–	–	735	–	–	735
At April 30, 2020 (Unaudited)	5,000	–	(3,884)	3,750	–	4,866
At January 1, 2021	5,000	–	(2,483)	4,220	–	6,737
Revaluation – gross	–	–	(1,051)	–	–	(1,051)
Deferred income tax credit	–	–	263	–	–	263
Currency translation differences	–	–	–	–	1,044	1,044
Effect of Reorganization	–	10,000	–	–	–	10,000
Deemed distribution to shareholders during the Reorganization	–	(10,000)	–	(4,220)	–	(14,220)
Other	–	–	–	–	(3)	(3)
At April 30, 2021	5,000	–	(3,271)	–	1,041	2,770

Note:

(a) In accordance with the Company Law of the PRC, domestic enterprises in Mainland China are required to transfer 10% of their profit after taxation, as determined under accounting principles generally accepted in the PRC ("**PRC GAAP**"), to the statutory reserve until such reserve balance reaches 50% of the registered capital of such entities.

The statutory reserves can be used to reduce previous years' losses, if any, and may be converted into paid-in capital, provided that the statutory reserves after such conversion is not less than 25% of the registered capital of relevant subsidiaries.

(b) As mentioned in Note 2, as part of the Reorganization, pursuant to equity transfer agreements dated November 2, 2020 entered into between Uju Hong Kong as purchaser, Guangzhou Uju and Winston Holdings International Limited ("**Winston**") as sellers, and Uju Beijing as subject matter company, Guangzhou Uju and Winston transferred its equity interest in Uju Beijing, representing 75% and 25% of the equity interest in Uju Beijing to Uju Hong Kong, at a consideration of RMB11,475,000 and RMB3,825,000 respectively, which has been settled by Uju Hong Kong in March 2021. Since this Financial Information has been prepared as if Uju Beijing Group has been subsidiaries comprising the Group that engaged in the **[REDACTED]** Business during December 31, 2018, 2019 and 2020, the consideration was treated as a deemed distribution to the shareholders of the Group.

32 SHARE-BASED COMPENSATION

During the Tracking Record Period, certain equity interests of Uju Beijing were transferred by Mr. Ma, as the Controlling Shareholder, to certain employees at nil consideration and vested immediately on the respective dates of transfer with the objective to incentivize employees for their contribution to the Group. On the respective dates of transfer, the fair values of the shares transferred were recognised as employee benefit expenses, with corresponding increases for the same amounts in equity.

Share-based compensation was recognised in profit and loss for the years ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2020 and 2021 as follows:

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Administrative expenses	2,100	–	–	–	–
Selling expenses	1,400	250	470	–	–
	3,500	250	470	–	–

a) Details of the shares transferred and the vesting conditions are as follow:

Date of transfer of shares to the employees	Percentage of equity interests transferred %	Vesting condition
2 May 2018	1.50%	Fully vested at date of transfer
13 July 2018	1.00%	Fully vested at date of transfer
20 May 2019	0.05%	Fully vested at date of transfer
1 August 2020	0.05%	Fully vested at date of transfer

b) The fair value of transferred shares

The fair value of services received in return for equity interests transferred is measured by reference to the fair value of shares transferred. The estimate of the fair value of the equity interest

transferred is measured based on discounted cash flow approach. Equity interest was transferred without any vesting conditions. Key assumptions, such as projections of future performance, perpetual growth rate and discount rate, are determined by the Group with best estimate. The discount rate used is determined by reference to the weighted average cost of capital of the Group which is ranged from 16%-18% for the years ended December 31, 2018, 2019 and 2020.

33 CASH FLOW INFORMATION

(a) Cash (used in)/generated from operations

		For the year ended December 31,			Four months ended April 30,	
	Notes	**2018**	**2019**	**2020**	**2020**	**2021**
		RMB'000	**RMB'000**	**RMB'000**	**RMB'000 (Unaudited)**	**RMB'000**
Profit before income tax		68,904	110,202	178,198	17,064	94,059
Adjustments for						
Depreciation of right-of-use assets	*18*	1,715	3,007	4,960	1,924	3,037
Depreciation of property, plant and equipment	*17*	291	751	2,106	366	1,596
Net impairment losses on financial assets	*11*	926	77,493	53,744	26,926	8,211
Finance cost, net	*14*	4,135	11,131	27,431	8,482	9,086
Loss on disposal of property, plant and equipment		32	–	5	–	–
Investment income on financial assets at fair value through profit or loss		(535)	(1,533)	(870)	(403)	(317)
Share-based compensation expenses	*10*	3,500	250	470	–	–
		78,968	201,301	266,044	54,359	115,672
Changes in working capital:						
(Increase)/decrease in accounts receivables		(535,600)	(699,973)	(704,382)	102,852	(94,821)
(Increase)/decrease in prepayments, deposits and other receivables		(131,279)	(90,053)	(66,837)	22,195	(127,084)
(Increase)/decrease in financial assets at FVOCI		(69,408)	(32,731)	31,884	17,738	2,172
(Increase)/decrease in restricted cash		–	(1,105)	(86,641)	1,060	87,513
Increase/(decrease) in accounts payables		444,266	442,833	588,406	(251,071)	(222,259)
Increase/(decrease) in other payables and accruals		153,111	11,095	148,590	31,896	(32,208)
Increase in contract liabilities		14,533	16,749	37,209	68,260	7,267
Cash (used in)/generated from operations		(45,409)	(151,884)	214,273	47,289	(263,748)

(b) Proceeds from disposal of property, plant and equipment

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Net book amount	32	–	40	–	–
Loss on disposal of property, plant and equipment	(32)	–	(5)	–	–
Proceeds from disposal	–	–	35	–	–

(c) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at FVPL	38,306	–	–	80,004
Restricted cash	–	1,105	87,746	233
Cash and cash equivalents	9,810	59,168	130,155	70,267
Bank borrowings	(20,012)	(58,074)	(70,053)	(110,354)
Factoring borrowings	–	(156,993)	(51,905)	(198,014)
Borrowings from third parties	(10,302)	(11,000)	(55,353)	(85,987)
Borrowings from related parties	(64,099)	(64,579)	(48,106)	(14,085)
Lease liabilities	(3,020)	(11,251)	(8,559)	(22,131)
Net debt	(49,317)	(241,624)	(16,075)	(280,067)

	Financial assets at FVPL	Restricted cash	Cash and cash equivalents	Bank borrowings	Factoring borrowings	Borrowings from related parties	Borrowings from third parties	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Net debt as at January 1, 2018	–	–	529	–	–	(1,500)	–	–	(971)
Cash flows	37,771	–	9,281	(20,000)	–	(62,599)	(10,000)	1,792	(43,755)
Non-cash movement	535	–	–	(12)	–	–	(302)	(184)	37
New leases	–	–	–	–	–	–	–	(4,628)	(4,628)
Net debt as at December 31, 2018	38,306	–	9,810	(20,012)	–	(64,099)	(10,302)	(3,020)	(49,317)
Net debt as at January 1, 2019	38,306	–	9,810	(20,012)	–	(64,099)	(10,302)	(3,020)	(49,317)
Cash flows	(39,839)	–	49,358	(38,000)	(156,760)	(480)	(1,000)	3,647	(183,074)
Non-cash movement	1,533	1,105	–	(62)	(233)	–	302	(213)	2,432
New leases	–	–	–	–	–	–	–	(11,665)	(11,665)
Net debt as at December 31, 2019	–	1,105	59,168	(58,074)	(156,993)	(64,579)	(11,000)	(11,251)	(241,624)
Net debt as at January 1, 2020	–	1,105	59,168	(58,074)	(156,993)	(64,579)	(11,000)	(11,251)	(241,624)
Cash flows	(870)	–	70,987	(12,000)	105,104	16,473	(44,000)	4,318	140,012
Non-cash movement	870	86,641	–	21	(16)	–	(353)	(687)	86,476
New leases	–	–	–	–	–	–	–	(939)	(939)
Net debt as at December 31, 2020	–	87,746	130,155	(70,053)	(51,905)	(48,106)	(55,353)	(8,559)	(16,075)
Net debt as at January 1, 2020	–	1,105	59,168	(58,074)	(156,993)	(64,579)	(11,000)	(11,251)	(241,624)
Cash flows	89,601	–	(19,239)	–	(39,673)	–	–	650	(31,339)
Non-cash movement	403	(1,060)	–	(141)	1,150	(721)	(167)	(237)	(773)
New Lease	–	–	–	–	–	–	–	(939)	(939)
Net debt as at April 30, 2020 (Unaudited)	90,004	45	39,929	(58,215)	(195,516)	(65,300)	(11,167)	(11,777)	(211,997)
Net debt as at January 1, 2021	–	87,746	130,155	(70,053)	(51,905)	(48,106)	(55,353)	(8,559)	(16,075)
Cash flows	79,687	–	(61,231)	(40,000)	(146,306)	34,339	(30,000)	3,792	(159,719)
Non-cash movement	317	(87,513)	–	(301)	197	(19)	(634)	(406)	(88,359)
New Leases	–	–	–	–	–	–	–	(16,958)	(16,958)
Effects of exchange rate changes	–	–	1,343	–	–	(299)	–	–	1,044
Net debt as at April 30, 2021	80,004	233	70,267	(110,354)	(198,014)	(14,085)	(85,987)	(22,131)	(280,067)

34 COMMITMENTS

Non-cancellable leases commitment

The Group leases some offices under non-cancellable lease contract and has been exempted from recognition of right-of-use assets permitted under IFRS 16 "Leases". The future aggregate minimum lease payment under the relevant non-cancellable lease contracts are as follows:

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	86	305	1,183	185
Later than 1 year and not later than 2 years	–	6	970	18
Later than 2 year and not later than 3 years	–	6	91	–
Later than 3 years	–	6	–	–
	86	323	2,244	203

35 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family members of the Group are also considered as related parties.

The following significant transactions were carried out between the Group and its related parties during the periods presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Names and relationships with related parties

The following individuals/companies are related parties of the Group that had significant transactions and/or balances with the Group during the Track Record Period.

Individuals/companies	Relationship
Mr. Ma Xiaohui	The Controlling Shareholder
Guangzhou Uju	Controlled by the Controlling Shareholder
Hangzhou Uju Information Technology Co., Ltd. ("Hangzhou Uju")	Controlled by the Controlling Shareholder
Chongqing Tiaotiaoshidao Information Technology Co., Ltd. ("Chongqing Tiaotiaoshidao") *(i)*	Controlled by the Controlling Shareholder
Mr. Peng Liang *(ii)*	Executive director and Chief Executive Officer of the Company
Mr. Xie Song *(ii)*	Chief Operating Officer of the Group
Ms. Luo Xiaomei *(ii)*	Executive director and Chief Financial Officer of the Group
Ms. Meng Ran *(ii)*	Chief Media Officer of the Group

(i) Chongqing Tiaotiaoshidao was disposed to two third parties on December 27, 2018 and was not considered as a related party during years ended December 31, 2019 and 2020 and four months ended April 30, 2021.

(ii) These management has been regarded as key management personnel of the Group.

(b) Key management personnel compensation

Key management includes executive directors and the senior management of the Group. The compensation paid or payable to these key management personnel is shown below:

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Wages, salaries and bonuses	4,804	6,038	6,301	2,046	2,076
Other social security costs, housing benefits and other employee benefits	242	294	251	81	98
Pension costs – defined contribution plans	220	208	16	28	71
Share-based compensation	2,100	–	–	–	–
	7,366	6,540	6,568	2,155	2,245

(c) Transactions with related parties

The following transactions occurred with related parties:

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Sales of services to related parties	704	992	–	–	–
Purchase of services from related parties	17	790	–	–	–
Dividends paid to Guangzhou Uju	–	–	7,125	–	15,700

(d) Movements of loans to/from related parties

Loans to key management personnel

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Beginning of the year/period	–	988	3,062	3,062	1,003
Loans advanced	1,000	2,110	–	–	–
Loan repayments received	–	–	(2,000)	–	(500)
Loss allowance	(12)	(36)	(59)	–	(6)
End of year/period	988	3,062	1,003	3,062	497

Loans to Chongqing Tiaotiaoshidao

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Beginning of the year/period	–	–	–	–	–
Loans advanced	6,500	–	–	–	–
Loan repayments received	(6,500)	–	–	–	–
Loss allowance	–	–	–	–	–
End of year/period	–	–	–	–	–

Loans from the Controlling Shareholder

	Year ended 31 December			Four months ended April 30,	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Beginning of the year/period	–	549	549	549	549
Loans advanced	14,000	–	–	–	21,877
Loan repayments made	(14,000)	–	–	–	(15,768)
Interest accrued	549	–	–	–	28
Interest paid	–	–	–	–	(28)
Exchange effects	–	–	–	–	299
End of year/period	549	549	549	549	6,957

Loans from key management personnel

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Beginning of the year/period	1,000	–	–	–	–
Loans advanced	12,900	4,500	–	–	–
Loan repayments made	(13,900)	(4,500)	–	–	–
Interest charged	22	–	–	–	–
Interest paid	(22)	–	–	–	–
End of year/period	–	–	–	–	–

*Loans from Guangzhou Uju and Chongqing Tiaotiaoshidao**

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Beginning of the year/period	500	64,099	64,579	64,579	48,106
Loans advanced	95,210	8,219	1,524	32	–
Loan repayments made	(31,611)	(7,739)	(17,997)	–	(40,448)
Interest charged	2,401	3,601	3,622	1,274	778
Interest paid	(2,401)	(3,601)	(3,622)	(584)	(759)
End of year/period	64,099	64,579	48,106	65,301	7,677

* The loans from Chongqing Tiaotiaoshidao of RMB9,300,000 had been fully repaid during the year ended December 31, 2018.

Except for certain loans from the Controlling Shareholder, key management personnel and a related company which bear interests at rates ranged from 6% to 12% per annum, the loans to/from related parties are all unsecured, interest free and have no fixed terms of repayment.

The loans to/from related parties were non-trade in nature, and the Directors confirmed that these balances will be settled prior to [**REDACTED**].

(e) Outstanding balances with related parties

Accounts payables

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Hangzhou Uju	–	837	4	–

Accounts receivables

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Chongqing Tiaotiaoshidao	240	N/A	N/A	N/A

The accounts receivables and accounts payables due from/due to related parties were trade in nature.

Other payables

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
The Controlling Shareholder	549	549	549	549
Guangzhou Uju	2,063	2,549	3,377	62,175
	2,612	3,098	3,926	62,724

Other receivables

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Mr. Peng Liang	1,023	2,604	1,527	1,090
Ms. Luo Xiaomei	988	984	–	15
Mr. Xie Song	–	202	–	54
Ms. Meng Ran	–	155	–	68
	2,011	3,945	1,527	1,227

Note:

The amounts as disclosed represent the loans receivable from the key management personnel.

Borrowings

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Guangzhou Uju	64,099	64,579	48,106	7,677
Mr. Ma Xiaohui	–	–	–	6,408
	64,099	64,579	48,106	14,085

Dividend payables

	As at December 31,			As at April 30,
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Guangzhou Uju	–	23,000	37,875	–

Except for the borrowings from Guangzhou Uju which bear interests at 6% per annum, the outstanding balances with related parties are all unsecured, interest free and have no fixed terms of repayment.

The other payables, other receivables, borrowings and dividend payables due from/due to related parties were non-trade in nature, and the Directors confirmed that these balances will be settled prior to [**REDACTED**].

(f) Guarantee from related parties

The following balances are guaranteed or counter guaranteed by related parties for the Group's bank borrowings:

	Guaranteed by	Counter guaranteed by	Guaranteed credit line	Guarantees start date	Guarantees end date	Guarantees due or not
			RMB'000			
Bank A	Financing Guaranty Company A	Mr. Peng Liang Guangzhou Uju	28,000	27/12/2018	26/12/2020	Due
	Financing Guaranty Company A	Mr. Peng Liang Guangzhou Uju	30,000	27/08/2020	26/08/2021	Not yet due
Bank B	Financing Guaranty Company B	Mr. Peng Liang and his Spouse Mr. Xie Song and his Spouse Ms. Luo Xiaomei Guangzhou Uju	30,000	26/12/2018	25/12/2020	Due
	Mr. Peng Liang and his Spouse	N/A				
	Financing Guaranty Company B	Mr. Peng Liang & Spouse Mr. Xie Song & Spouse Ms. Luo Xiaomei Guangzhou Uju	30,000	22/12/2020	21/12/2022	Not yet due
	Mr. Peng Liang and his Spouse	N/A				
Bank C	Financing Guaranty Company C Mr. Peng Liang & Spouse	Mr. Peng Liang and his Spouse	10,000	22/12/2020	20/12/2021	Not yet due
Bank D	Mr. Ma Xiaohui & Spouse	N/A	100,000	24/02/2021	19/02/2022	Not yet due

The Directors of the Company confirmed that the guarantee provided by related parties will be released prior to the **[REDACTED]**.

36 BENEFITS AND INTERESTS OF DIRECTORS

(a) Executive director's and Independent non-executive director's emoluments

For the year ended December 31, 2018:

	Wages, salaries and bonus	Share-based compensation	Other social security costs, housing allowance and other allowance	Contributions to pension plans	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors					
Mr. Ma Xiaohui*	–	–	–	–	–
Mr. Peng Liang*	2,001	–	67	58	2,126
Ms. Luo Xiaomei*	582	2,100	67	58	2,807
Independent non-executive directors	–	–	–	–	–
Mr. Zhang Pei'ao*	–	–	–	–	–
Ms. Lin Ting*	–	–	–	–	–
Mr. Wang Wenping*	–	–	–	–	–
	2,583	2,100	134	116	4,933

For the year ended December 31, 2019:

	Wages, salaries and bonus	Share-based compensation	Other social security costs, housing allowance and other allowance	Contributions to pension plans	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors					
Mr. Ma Xiaohui*	–	–	–	–	–
Mr. Peng Liang*	2,767	–	73	53	2,893
Ms. Luo Xiaomei*	882	–	73	53	1,008
Independent non-executive directors					
Mr. Zhang Pei'ao*	–	–	–	–	–
Ms. Lin Ting*	–	–	–	–	–
Mr. Wang Wenping*	–	–	–	–	–
	3,649	–	146	106	3,901

For the year ended December 31, 2020:

	Wages, salaries and bonus	Share-based compensation	Other social security costs, housing allowance and other allowance	Contributions to pension plans	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors					
Mr. Ma Xiaohui*	–	–	–	–	–
Mr. Peng Liang*	3,002	–	68	4	3,074
Ms. Luo Xiaomei*	926	–	68	4	998
Independent non-executive directors	–	–	–	–	–
Mr. Zhang Pei'ao*	–	–	–	–	–
Ms. Lin Ting*	–	–	–	–	–
Mr. Wang Wenping*	–	–	–	–	–
	3,928	–	136	8	4,072

Four months ended April 30, 2020 (Unaudited):

	Wages, salaries and bonus	Share-based compensation	Other social security costs, housing allowance and other allowance	Contributions to pension plans	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors					
Mr. Ma Xiaohui*	–	–	–	–	–
Mr. Peng Liang*	1,001	–	22	8	1,031
Ms. Luo Xiaomei*	277	–	22	8	307
Independent non-executive directors					
Mr. Zhang Pei'ao*	–	–	–	–	–
Ms. Lin Ting*	–	–	–	–	–
Mr. Wang Wenping*	–	–	–	–	–
	1,278	–	44	16	1,338

Four months ended April 30, 2021:

	Wages, salaries and bonus	Share-based compensation	Other social security costs, housing allowance and other allowance	Contributions to pension plans	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors					
Mr. Ma Xiaohui*	–	–	–	–	–
Mr. Peng Liang*	874	–	21	16	911
Ms. Luo Xiaomei*	263	–	24	18	305
Independent non-executive directors					
Mr. Zhang Pei'ao*	–	–	–	–	–
Ms. Lin Ting*	–	–	–	–	–
Mr. Wang Wenping*	–	–	–	–	–
	1,137	–	45	34	1,216

* Mr. Ma Xiaohui was appointed as a director of the Company in September 2020. Mr. Peng Liang, Ms. Luo Xiaomei, Mr. Zhang Pei'ao, Ms. Lin Ting and Ms. Wang Wenping were appointed as directors of the Company in March 2021. The amounts presented above represent the wages, salaries and bonus, contributions to pension plans, other social security costs, housing allowance and other allowance paid during the Track Record Period. Each of independent non-executive Directors [has entered] into an appointment letter with the Company for a term of three years commencing on [**REDACTED**]. No remuneration was accrued for the four months ended April 30, 2021.

Salary paid to a director is generally an emolument paid or receivable in respect of that person's other services in connection with the management of the affairs of the Company or its subsidiary undertaking.

(b) Director's retirement and termination benefits

No retirement or termination benefits have been paid to the Company's directors during the Track Record Period.

(c) Consideration provided to third parties for making available directors' services

No consideration provided to third parties for making available Directors' services subsisted at the end of the year or at any time during the Track Record Period.

(d) Information about loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors

Other than those disclosed in Note 35, no loans, quasi-loans or other dealings are entered into by the Company in favor of directors, controlled bodies corporate by and connected entities with such directors during the Track Record Period.

(e) Directors' material interests in transactions, arrangements or contract

Other than those disclosed in Note 35, no significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during the Track Record Period.

37 EARNINGS PER SHARE

(a) Basic

The basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue (adjusted retrospectively for the share subdivision pursuant to the shareholders resolution passed on October 8, 2021 as mentioned in Note 39) during the years ended December 31, 2018, 2019 and 2020 and the four months ended April 30, 2020 and 2021. In determining the weighted average number of ordinary shares in issue, total 1,800,000 shares were deemed to have been in issue since January 1, 2018.

	Year ended December 31,			Four months ended April 30,	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Profit attributable to owners of the Company (RMB'000)	50,144	81,914	133,179	12,594	68,639
Weighted average number of ordinary shares in issue ('000)	1,800	1,800	1,800	1,800	1,900
Basic earnings per share (expressed in RMB)	27.86	45.51	73.99	7	36.13

(b) Diluted

Diluted earnings per share presented is the same as the basic earnings per share as there were no potentially dilutive ordinary shares issued during the four months ended April 30, 2021.

The basic and diluted earnings per share as presented above has not taken into account the proposed [**REDACTED**] of [**REDACTED**] shares pursuant to the shareholders' resolution passed on October 8, 2021 because the proposed [**REDACTED**] has not become effective as of the date of this report.

38 CONTINGENCIES

As at 31 December 2018, 2019 and 2020 and April 30, 2021, the Group has no material contingent liabilities.

39 SUBSEQUENT EVENTS

Pursuant to a shareholders' resolution dated October 8, 2021, each of the existing issued and unissued shares of the Company with a par value US$1.00 each are subdivided into 100 shares of par value of US$0.01 each. Also, the authorized share capital of the Company was increased from US$50,000 divided into 5,000,000 Shares to US$100,000,000 divided into 10,000,000,000 Shares by the creation of an additional 9,995,000,000 shares which shall, when issued and paid, rank pari passu in all respects with the existing issued shares.

[Pursuant to a shareholders' resolution dated [date] and conditional on the share premium account of the Company being credited as a result of the issue of shares pursuant to [**REDACTED**], the directors of the Company are authorized to capitalize US$[**REDACTED**] standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par [**REDACTED**] shares for allotment and issue to holders of shares whose names appear on the register of members of the Company at the close of business on the day prior to the [**REDACTED**] date (or as they may direct) in proportion (as nearly as possible without involving fractions so that no fraction of a share shall be allotted and issued) to their then existing holdings in the Company. The shares to be allotted and issued pursuant to this resolution should rank pari passu in all respects with the then existing issued shares.]

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to April 30, 2021 and up to the date of this report.

Save as disclosed in this report, no other dividend or distribution has been declared or made by the Company or any of the companies now comprising the Group in respect of any period subsequent to April 30, 2021.

The following information does not form part of the Accountant's Report from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, the Company's Reporting Accountant, as set out in Appendix I, 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 Accountant's Report set out in Appendix I to this document.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following is an illustrative unaudited pro forma statement of adjusted consolidated net tangible assets which has been prepared in accordance with Rule 4.29 of the Listing Rules for the purpose of illustrating the effect of the [**REDACTED**] as if it had taken place on April 30, 2021 and based on the consolidated net tangible assets attributable to the owners of the Company as at April 30, 2021 as shown in the Accountant's Report, the text of which is set out in Appendix I to this Document, and adjusted as described below.

The unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group had the [**REDACTED**] been completed as at April 30, 2021 or at any future dates.

	Audited consolidated net tangible assets attributable to the owners of the Company as at April 30, 2021[(1)]	Estimated net proceeds from the [REDACTED][(2)]	Unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company as at April 30, 2021	Unaudited pro forma adjusted consolidated net tangible assets per share[(3)(4)]	
	RMB'000	RMB'000	RMB'000	RMB	HK$
Based on an [**REDACTED**] of HK$[**REDACTED**] per Share	[412,898]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Based on an [**REDACTED**] of HK$[**REDACTED**] per Share	[412,898]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

(1) The audited consolidated net tangible assets attributable to the owners of the Company as at April 30, 2021 is extracted from the Accountant's Report as set out in Appendix I, which is based on the audited consolidated net assets attributable to the owners of the Company as at April 30, 2021 of approximately RMB412,898,000.

(2) The estimated net proceeds to be received by the Company from the [**REDACTED**] are based on the indicative [**REDACTED**] of HK$[**REDACTED**] and HK$[**REDACTED**] per Share, respectively, after deduction of the [**REDACTED**] fees and other related expenses payable by the Company (excluding approximately RMB[**REDACTED**] [**REDACTED**] which have been charged to our consolidated statement of profit or loss and other comprehensive income up to April 30, 2021), and does not take into account any shares which may be issued pursuant to the exercise of the [**REDACTED**] or upon the exercise of the options granted under the Share Option Scheme or any Shares that may be issued or repurchased by the Company under the general mandates granted to our Directors.

(3) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that [**REDACTED**] Shares were in issue, assuming that the [**REDACTED**] and the [**REDACTED**] have been completed on April 30, 2021 but does not take into account any shares which may be issued pursuant to the exercise of the [**REDACTED**] or upon the exercise of the options granted under the Share Option Scheme or any Shares that may be issued or repurchased by the Company under the general mandates granted to our Directors.

(4) For the purpose of this unaudited pro forma adjusted net tangible assets, the amounts stated in RMB are converted into Hong Kong dollars at a rate of RMB1.00 to HK$[1.183]. 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 reflect any trading result or other transactions of the Group entered into subsequent to April 30, 2021.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman Islands company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on September 21, 2020 under the Companies Act. The Company's constitutional documents consist of its Amended and Restated Memorandum of Association (**Memorandum**) and its Amended and Restated Articles of Association (**Articles**).

1. MEMORANDUM OF ASSOCIATION

(a) The Memorandum provides, *inter alia*, that the liability of members of the Company is limited and that the objects for which the Company is established are unrestricted (and therefore include acting as an investment company), and that the Company shall have and be capable of exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate whether as principal, agent, contractor or otherwise and, since the Company is an exempted company, that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.

(b) By special resolution the Company may alter the Memorandum with respect to any objects, powers or other matters specified in it.

2. ARTICLES OF ASSOCIATION

The Articles were adopted on [October 8, 2021]. A summary of certain provisions of the Articles is set out below.

(a) Shares

(i) Classes of shares

The share capital of the Company consists of ordinary shares.

(ii) Variation of rights of existing shares or classes of shares

Subject to the Companies Act, if at any time the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to any class of shares may (unless otherwise provided for by the terms of issue of the shares of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares 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. The provisions of the Articles relating to general meetings shall *mutatis mutandis* apply to every such separate general meeting, but so that the necessary quorum (other than at an adjourned meeting) shall be not

less than two persons together holding (or, in the case of a member being a corporation, by its duly authorized representative) or representing by proxy not less than one-third in nominal value of the issued shares of that class. Every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, and any holder of shares of the class present in person or by proxy may demand a poll.

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

The Company may, by an ordinary resolution of its members: (a) increase its share capital by the creation of new shares of such amount as it thinks expedient; (b) consolidate or divide all or any of its share capital into shares of larger or smaller amount than its existing shares; (c) divide its unissued shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges or conditions; (d) subdivide its shares or any of them into shares of an amount smaller than that fixed by the Memorandum; (e) cancel any shares which, at the date of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; (f) make provision for the allotment and issue of shares which do not carry any voting rights; and (g) change the currency of denomination of its share capital.

(iv) Transfer of shares

Subject to the Companies Act and the requirements of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), all transfers of shares shall be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve and may be under hand or, if the transferor or transferee is a Clearing House or its nominee(s), under hand or by machine imprinted signature, or by such other manner of execution as the Board may approve from time to time.

Execution of the instrument of transfer shall be 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 transferor or transferee or accept mechanically executed transfers. The transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register of members of the Company in respect of that share.

The Board may, in its absolute discretion, at any time and from time to time remove any share on the principal register to any branch register or any share on any branch register to the principal register or any other branch

register. Unless the Board otherwise agrees, no shares on the principal register shall be removed to any branch register nor shall shares on any branch register be removed to the principal register or any other branch register. All removals and other documents of title shall be lodged for registration and registered, in the case of shares on any branch register, at the relevant registration office and, in the case of shares on the principal register, at the place at which the principal register is located.

The Board may, in its absolute discretion, decline to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or on which the Company has a lien. It may also decline to register a transfer of any share issued under any share option scheme upon which a restriction on transfer subsists or a transfer of any share to more than four joint holders.

The Board may decline to recognise any instrument of transfer unless a certain fee, up to such maximum sum as the Stock Exchange may determine to be payable, is paid to the Company, the instrument of transfer is properly stamped (if applicable), is in respect of only one class of share and is lodged at the relevant registration office or the place at which the principal register is located accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require is provided 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 register of members may, subject to the Listing Rules, be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine.

Fully paid shares shall be free from any restriction on transfer (except when permitted by the Stock Exchange) and shall also be free from all liens.

(v) Power of the Company to purchase its own shares

The Company may purchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirement imposed from time to time by the Articles or any code, rules or regulations issued from time to time by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong.

Where the Company purchases for redemption a redeemable Share, purchases not made through the market or by tender shall be limited to a maximum price and, if purchases are by tender, tenders shall be available to all members alike.

(vi) Power of any subsidiary of the Company to own shares in the Company

There are no provisions in the Articles relating to the ownership of shares in the Company by a subsidiary.

(vii) Calls on shares and forfeiture of shares

The Board may, from time to time, make such calls as it thinks fit 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) and not by the conditions of allotment of such shares made payable at fixed times. A call may be made payable either in one 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 20% per annum as the Board shall fix from the day appointed for payment 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 money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced the Company may pay interest at such rate (if any) not exceeding 20% per annum as the Board may decide.

If a member fails to pay any call or instalment of a call on the day appointed for payment, the Board may, for so long as any part of the call or instalment remains unpaid, serve not less than 14 days' notice on the member requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment. The notice shall name a further day (not earlier than the expiration of 14 days from the date of the notice) on or before which the payment required by the notice is to be made, and shall also name the place where payment is to be made. The notice shall also state that, in the event of non-payment at or before the appointed time, 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, nevertheless, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him

to the 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 payment at such rate not exceeding 20% per annum as the Board may prescribe.

(b) Directors

(i) Appointment, retirement and removal

At any time or from time to time, the Board shall have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director to the existing Board subject to any maximum number of Directors, if any, as may be determined by the members in general meeting. Any Director so appointed to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director so appointed as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

At each annual general meeting, one third of the Directors for the time being shall retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors to retire in each year shall be those who have been in office longest 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 shall (unless they otherwise agree among themselves) be determined by lot.

No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected has been lodged at the head office or at the registration office of the Company. The period for lodgment of such notices shall commence no earlier than the day after despatch of the notice of the relevant meeting and end no later than seven days before the date of such meeting and the minimum length of the period during which such notices may be lodged must be at least seven days.

A Director is not required to hold any shares in the Company by way of qualification nor is there any specified upper or lower age limit for Directors either for accession to or retirement from the Board.

A Director may be removed by an ordinary resolution of the Company before the expiration of his term of office (but without prejudice to any claim

which such Director may have for damages for any breach of any contract between him and the Company) and the Company may by ordinary resolution appoint another in his place. Any Director so appointed shall be subject to the "retirement by rotation" provisions. The number of Directors shall not be less than two.

The office of a Director shall be vacated if he:

(aa) resigns;

(bb) dies;

(cc) is declared to be of unsound mind and the Board resolves that his office be vacated;

(dd) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;

(ee) is prohibited from being or ceases to be a director by operation of law;

(ff) without special leave, is absent from meetings of the Board for six consecutive months, and the Board resolves that his office is vacated;

(gg) has been required by the stock exchange of the Relevant Territory (as defined in the Articles) to cease to be a Director; or

(hh) is removed from office by the requisite majority of the Directors or otherwise pursuant to the Articles.

From time to time 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 the 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 also delegate any of its powers to committees consisting of such Director(s) or other person(s) as the Board thinks fit, and from time to time it may also 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 shall, in the exercise of the powers 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 Companies Act, the Memorandum and Articles and without prejudice to any special rights conferred on the holders

of any shares or class of shares, any share may be issued with or have attached to it such rights, or such restrictions, whether with regard to dividend, voting, return of capital or otherwise, as the Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Board may determine). Any share may be issued on terms that, upon the happening of a specified event or upon a given date and either at the option of the Company or the holder of the share, it is liable to be redeemed.

The Board may issue warrants to subscribe for any class of shares or other securities of the Company on such terms as it may from time to time determine.

Where warrants are issued to bearer, no certificate in respect of such warrants shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original certificate has been destroyed and the Company has received an indemnity in such form as the Board thinks fit with regard to the issue of any such replacement certificate.

Subject to the provisions of the Companies Act, the Articles and, where applicable, the rules of any stock exchange of the Relevant Territory (as defined in the Articles) 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 the Company shall be 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.

Neither the Company nor the Board shall be 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 whose registered addresses are in any particular territory or territories where, in the absence of a registration statement or other special formalities, this is or may, in the opinion of the Board, be unlawful or impracticable. However, no member affected as a result of the foregoing shall be, or be deemed to be, a separate class of members for any purpose whatsoever.

(iii) Power to dispose of the assets of the Company or any of its subsidiaries

While there are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries, the Board may exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Companies Act to be exercised or done by the Company in general meeting, but if such power or act is regulated by the Company in general meeting, such regulation shall not invalidate any prior act of the Board which would have been valid if such regulation had not been made.

(iv) Borrowing powers

The Board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and uncalled capital of the Company and, subject to the Companies Act, to issue debentures, debenture stock, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(v) Remuneration

The Directors shall be entitled to receive, as ordinary remuneration for their services, such sums as shall from time to time be determined by the Board or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided among the Directors in such proportions and in such manner as they may agree or, failing agreement, either equally or, in the case of any Director holding office for only a portion of the period in respect of which the remuneration is payable, pro rata. The Directors shall also be entitled to be repaid all expenses reasonably incurred by them in attending any Board meetings, committee meetings or general meetings or otherwise in connection with the discharge of their duties as Directors. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

Any Director who, at the request of the Company, performs services which in the opinion of the Board goes beyond the ordinary duties of a Director may be paid such special or extra remuneration as the Board may determine, 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 shall be in addition to his ordinary remuneration as a Director.

The Board may establish, either on its own or jointly in concurrence or agreement with subsidiaries of the Company or companies with which the Company is associated in business, or may make contributions out of the 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 former Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and former employees of the Company and their dependents or any class or classes of such persons.

The Board may also pay, enter into agreements to pay or make grants of revocable or irrevocable, whether or not subject to any terms or conditions, pensions or other benefits to employees and former employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or former employees or their dependents are or may become entitled under any such scheme or fund as mentioned above. Such pension or benefit may, if deemed desirable by the Board, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(vi) Compensation or payments for loss of office

Payments to any present 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 or statutorily entitled) must be approved by the Company in general meeting.

(vii) Loans and provision of security for loans to Directors

The Company shall not directly or indirectly make a loan to a Director or a director of any holding company of the Company or any of their respective close associates, enter into any guarantee or provide any security in connection with a loan made by any person to a Director or a director of any holding company of the Company or any of their respective close associates, or, if any one or more of the Directors hold(s) (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

(viii) Disclosure of interest in contracts with the Company or any of its subsidiaries

With the exception of the office of auditor of the Company, a Director may hold any other office or place of profit with the 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 for that other office or place of profit, in whatever form, in addition to any remuneration provided for by or pursuant to any other Articles. A Director may be or become a director, officer or member of any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration or other benefit received by him as a director, officer or member of such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company.

No Director or intended Director shall be disqualified by his office from contracting with the Company, 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 the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship established by it. A Director who is, in any way, materially interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the earliest meeting of the Board at which he may practically do so.

There is no power to freeze or otherwise impair any of the rights attaching to any share by reason that the person or persons who are interested directly or indirectly in that share have failed to disclose their interests to the Company.

A Director shall not vote or be counted in the quorum on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his close associate(s) has/have a material interest, and if he shall do so his vote shall not be counted nor shall he be counted in the quorum for that resolution, but this prohibition shall not apply to any of the following matters:

(aa) the giving of any security or indemnity to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;

(bb) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has/have 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 proposal concerning an offer of shares, debentures or other securities of or by the Company or any other company which the 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 proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries, including the adoption, modification or operation of either: (i) any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or (ii) any of a pension fund or retirement, death or disability benefit scheme

which relates to Directors, their close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his close associate(s) any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

(ee) 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, debentures or other securities of the Company by virtue only of his/their interest in those shares, debentures or other securities.

(ix) Proceedings of the Board

The Board may meet anywhere in the world for the despatch of business and may adjourn and otherwise regulate its meetings as it thinks fit. 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 a second or casting vote.

(c) Alterations to the constitutional documents and the Company's name

To the extent that the same is permissible under Cayman Islands law and subject to the Articles, the Memorandum and Articles of the Company may only be altered or amended, and the name of the Company may only be changed, with the sanction of a special resolution of the Company.

(d) Meetings of member

(i) Special and ordinary resolutions

A special resolution of the 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 by proxy or, in the case of members which are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given.

Under the Companies Act, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within 15 days of being passed.

An "ordinary resolution", by contrast, is a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of members which 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.

A resolution in writing signed by or on behalf of all members shall be treated as an ordinary resolution duly passed at a general meeting of the Company duly convened and held, and where relevant as a special resolution so passed.

(ii) Voting rights and right to demand a poll

Subject to any special rights, restrictions or privileges as to voting for the time being attached to any class or classes of shares at any general meeting: (a) 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 share which is fully paid or credited as fully paid registered in his name in the register of members of the Company but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for this purpose as paid up on the share; and (b) on a show of hands every member who is present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote. Where more than one proxy is appointed by a member which is a Clearing House (as defined in the Articles) or its nominee(s), each such proxy shall have one vote on a show of hands. On a poll, a member entitled to more than one vote need not use all his votes or cast all the votes he does use in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by poll save that the chairman of the meeting may, pursuant to the Listing Rules, allow a resolution to be voted on by a show of hands. Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded by (in each case by members present in person or by proxy or by a duly authorised corporate representative):

(A) at least two members;

(B) any member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

(C) a member or members holding shares in the Company conferring a right to vote at the meeting on which an aggregate sum has been paid equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Should a Clearing House or its nominee(s) be a member of the Company, such person or persons may be authorised as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the 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 in

accordance with this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House or its nominee(s) as if such person were an individual member including the right to vote individually on a show of hands.

Where the Company has knowledge that any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, 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

The Company must hold an annual general meeting each year other than the year of the Company's adoption of the Articles. Such meeting must be held not more than 15 months after the holding of the last preceding annual general meeting, or such longer period as may be authorised by the Stock Exchange at such time and place as may be determined by the Board.

(iv) Requisition of general meetings

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 the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the secretary of the Company 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 two 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 (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 the Company.

(v) Notices of meetings and business to be conducted

An annual general meeting of the Company shall be called by at least 21 days' notice in writing, and any other general meeting of the Company shall be called by at least 14 days' notice in writing. The notice shall be 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, place and agenda of the meeting and particulars of the resolution(s) to be considered at that meeting and, in the case of special business, the general nature of that business.

Except where otherwise expressly stated, any notice or document (including a share certificate) to be given or issued under the Articles shall be in writing, and may be served by the Company on any member personally, by post to such member's registered address or (in the case of a notice) by advertisement in the newspapers. Any member whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which shall be deemed to be his registered address for this purpose. Subject to the Companies Act and the Listing Rules, a notice or document may also be served or delivered by the Company to any member by electronic means.

Although a meeting of the Company may be called by shorter notice than as specified above, such meeting may be deemed to have been duly called if it is so agreed:

(i) in the case of an annual general meeting, by all members of the Company entitled to attend and vote thereat; and

(ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting holding not less than 95% of the total voting rights in the Company.

All business transacted at an extraordinary general meeting shall be deemed special business. All business shall also be deemed special business where it is transacted at an annual general meeting, with the exception of certain routine matters which shall be deemed ordinary business.

(vi) 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, and continues to be present until the conclusion of the meeting.

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.

(vii) Proxies

Any member of the Company entitled to attend and vote at a meeting of the 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 the Company or at a class meeting. A proxy need not be a member of the Company and shall be 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, a proxy shall be 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 if it were an individual member. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Board may from time to time approve, provided that it shall not preclude the use of the two-way form. Any form issued to a member for appointing a proxy to attend and vote at an extraordinary general meeting or at an annual general meeting at which any business is to be transacted shall be such as to enable the member, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such business.

(e) Accounts and audit

The Board shall cause proper books of account to be kept of the sums of money received and expended by the Company, and of the assets and liabilities of the Company and of all other matters required by the Companies Act (which include all sales and purchases of goods by the company) necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions.

The books of accounts of the Company shall be kept at the head office of the Company 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 account, book or document of the Company except as conferred by the Companies Act or ordered by a court of competent jurisdiction or authorised by the Board or the Company in general meeting.

The Board shall from time to time cause to be prepared and laid before the Company at its annual general meeting balance sheets and profit and loss accounts (including every document required by law to be annexed thereto), together with a copy of the Directors' report and a copy of the auditors' report, not less than 21 days before the date of the annual general meeting. Copies of these documents shall be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles together with the notice of annual general meeting, not less than 21 days before the date of the meeting.

Subject to the rules of the stock exchange of the Relevant Territory (as defined in the Articles), the Company may send summarized financial statements to

members who have, in accordance with the rules of the stock exchange of the Relevant Territory, consented and elected to receive summarized financial statements instead of the full financial statements. The summarized financial statements must be accompanied by any other documents as may be required under the rules of the stock exchange of the Relevant Territory, and must be sent to those members that have consented and elected to receive the summarised financial statements not less than 21 days before the general meeting.

The Company shall appoint auditor(s) to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board. The auditors' remuneration shall be fixed by the Company in general meeting or by the Board if authority is so delegated by the members.

The members may, at a general meeting remove the auditor(s) by a special resolution at any time before the expiration of the term of office of the auditor(s) and shall, by an ordinary resolution, at that meeting appoint new auditor(s) in place of the removed auditor(s) for the remainder of the term.

The auditors shall audit the financial statements of the Company in accordance with generally accepted accounting principles of Hong Kong, the International Accounting Standards or such other standards as may be permitted by the Stock Exchange.

(f) Dividends and other methods of distribution

The 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.

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 of which the dividend is paid, although no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share;

(ii) all dividends shall be apportioned and paid pro rata in accordance with the amount paid up on the shares during any portion(s) of the period in respect of which the dividend is paid; and

(iii) the Board may deduct from any dividend or other monies payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.

Where the Board or the Company in general meeting has resolved that a dividend should be paid or declared, the Board may resolve:

(aa) 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 to such dividend will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or

(bb) that the 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.

Upon the recommendation of the Board, the Company may by ordinary resolution in respect of any one particular dividend of the Company determine 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, bonus or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and shall be sent at the holder's or joint holders' risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable or property distributable in respect of the shares held by such joint holders.

Whenever the Board or the 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.

The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced may pay interest at such rate (if any) not exceeding 20% per annum, as the Board may decide, but a payment in advance of a call shall not entitle the member to receive any dividend or to exercise any other rights or privileges as a member in respect of the share or the due portion of the shares upon which payment has been advanced by such member before it is called up.

All dividends, bonuses or other distributions unclaimed for one year after having been declared may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be

constituted a trustee in respect thereof. All dividends, bonuses or other distributions unclaimed for six years after having been declared may be forfeited by the Board and, upon such forfeiture, shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

The Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants remain uncashed on two consecutive occasions or after the first occasion on which such a cheque or warrant is returned undelivered.

(g) Inspection of corporate records

For so long as any part of the share capital of the Company is [**REDACTED**] on the Stock Exchange, any member may inspect any register of members of the Company maintained in Hong Kong (except when the register of members is closed) without charge and require the provision to him of copies or extracts of such register in all respects as if the Company were incorporated under and were subject to the Hong Kong Companies Ordinance.

(h) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles concerning the rights of minority members in relation to fraud or oppression. However, certain remedies may be available to members of the Company under Cayman Islands law, as summarized in paragraph 3(f) of this Appendix.

(i) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be 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 the Company is wound up, the surplus assets remaining after payment to all creditors shall be divided among the members in proportion to the capital paid up on the shares held by them respectively; and

(ii) if the Company is wound up and the surplus assets available for distribution among the members are insufficient to repay the whole of the paid-up capital, such assets shall be distributed, subject to the rights of any shares which may be issued on special terms and conditions, so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up on the shares held by them, respectively.

If the Company is wound up (whether the liquidation is voluntary or compelled by the court), the liquidator may, with the sanction of a special resolution and any other sanction required by the Companies Act, divide among the members in specie or kind the whole or any part of the assets of the Company, whether the assets consist of property of one kind or 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 so divided and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator thinks fit, but so that no member shall be compelled to accept any shares or other property upon which there is a liability.

(j) Subscription rights reserve

Provided that it is not prohibited by and is otherwise in compliance with the Companies Act, if warrants to subscribe for shares have been issued by the Company and the 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 the shares to be issued on the exercise of such warrants, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of such shares.

3. CAYMAN ISLANDS COMPANY LAW

The Company was incorporated in the Cayman Islands as an exempted company on September 21, 2020 subject to the Companies Act. Certain provisions of Cayman Islands company law are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the Companies Act and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

(a) Company operations

An exempted company such as the Company must conduct its operations mainly outside the Cayman Islands. An exempted company is also 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

Under the Companies Act, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or 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 arrangements in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation, the following:

(i) paying distributions or dividends to members;

(ii) paying up unissued shares of the company to be issued to members as fully paid bonus shares;

(iii) any manner provided in section 37 of the Companies Act;

(iv) writing-off the preliminary expenses of the company; and

(v) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

Notwithstanding the foregoing, 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.

Subject to confirmation by the court, a company limited by shares or a company limited by guarantee and having a share capital may, if authorised to do so 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 are no statutory prohibitions in the Cayman Islands on the granting of financial assistance by a company to another person for the purchase of, or subscription for, its own, its holding company's or a subsidiary's shares. Therefore, a company may provide financial assistance provided the directors of the company, when proposing to grant such financial assistance, discharge their duties of care and act in good faith, for a proper purpose and in the interests of the company. 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 member and, for the avoidance of doubt, 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; an ordinary resolution of the company approving the manner and terms of the purchase will be required if the articles of association do not authorise the manner and terms of such purchase. A company may not redeem or purchase its shares unless they are fully paid. Furthermore, 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. In addition, 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 that have been purchased or redeemed by a company or surrendered to the company shall not be treated as cancelled but shall be classified as treasury shares if held in compliance with the requirements of Section 37A(1) of the Companies Act. Any such shares shall continue to be classified as treasury shares until such shares are either cancelled or transferred pursuant to the Companies Act.

A Cayman Islands company may be able to purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. Thus there is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases. The directors of a company may under the general power contained in its memorandum of association be able to buy, sell and deal in personal property of all kinds.

A subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

Subject to a solvency test, as prescribed in the Companies Act, and the provisions, if any, of the company's memorandum and articles of association, a company may pay dividends and distributions out of its share premium account. In addition, based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid out of profits.

For so long as a company holds treasury shares, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made, in respect of a treasury share.

(f) Protection of minorities and shareholders' suits

It can be expected that the Cayman Islands courts will ordinarily follow English case law precedents (particularly the rule in the case of Foss v. Harbottle

and the exceptions to that rule) which permit a minority member to commence a representative action against or derivative actions in the name of the company to challenge acts which are ultra vires, illegal, fraudulent (and performed by those in control of the Company) against the minority, or represent an irregularity in the passing of a resolution which requires a qualified (or special) majority which has not been obtained.

Where a company (not being a bank) is one which has 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 the affairs of the company and, at the direction of the court, to report on such affairs. In addition, any member 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.

In general, claims against a company by its members must be based on the general laws of contract or tort applicable in the Cayman Islands or be based on potential violation of their individual rights as members as established by a company's memorandum and articles of association.

(g) Disposal of assets

There are no specific restrictions on the power of directors to dispose of assets of a company, however, the directors are expected to exercise certain duties of care, diligence and skill to the standard that a reasonably prudent person would exercise in comparable circumstances, in addition to fiduciary duties to act in good faith, for proper purpose and in the best interests of the company under English common law (which the Cayman Islands courts will ordinarily follow).

(h) Accounting and auditing requirements

A company must cause proper records of accounts to be kept with respect to: (i) all sums of money received and expended by it; (ii) all sales and purchases of goods by it and (iii) its assets and liabilities.

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.

If a company keeps its books of account at any place other than at its registered office or any other place within the Cayman Islands, it shall, upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (2013 Revision) of the Cayman Islands, make available, in electronic form or any other medium, at its registered office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

(i) Exchange control

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

(j) Taxation

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 the 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.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision prohibiting the making of loans by a company to any of its directors. However, the company's articles of association may provide for the prohibition of such loans under specific circumstances.

(m) Inspection of corporate records

The members of a company have no general right 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 of association.

(n) Register of members

A Cayman Islands exempted company may maintain its principal register of members and any branch registers in any country or territory, whether within or outside the Cayman Islands, as the company may determine from time to time. There is no requirement for an exempted company to make any returns of members to the Registrar of Companies in 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 member, 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 (2013 Revision) of the Cayman Islands.

(o) Register of Directors and officers

Pursuant to the Companies Act, the Company is required to maintain at its registered office a register of directors, alternate directors and officers which is not available for inspection by the public. 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 30 days of any change in such directors or officers, including a change of the name of such directors or officers.

(p) Winding up

A Cayman Islands company may be wound up by: (i) an order of the court; (ii) voluntarily by its members; or (iii) under the supervision of the court.

The court has authority to order winding up in a number of specified circumstances including where, in the opinion of the court, it is just and equitable that such company be so wound up.

A voluntary winding up of a company (other than a limited duration company, for which specific rules apply) occurs where the company resolves by special resolution that it be wound up voluntarily or where the company in general meeting resolves that it be wound up voluntarily because it is unable to pay its debt as they fall due. In the case of a voluntary winding up, the company is obliged to cease to carry on its business from the commencement of its winding up except so far as it may be beneficial for its winding up. Upon appointment of a voluntary liquidator, all the powers of the directors cease, except so far as the company in general meeting or the liquidator sanctions their continuance.

In the case of a members' voluntary winding up of a company, one or more liquidators are appointed for the purpose of winding up the affairs of the company and distributing its assets.

As soon as the affairs of a 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 the property of the company disposed of, and call a general meeting of the company for the purposes of laying before it the account and giving an explanation of that account.

When a resolution has been passed by a company to wind up voluntarily, the liquidator or any contributory or creditor may apply to the court for an order for the continuation of the winding up under the supervision of the court, on the grounds that: (i) the company is or is likely to become insolvent; or (ii) the supervision of the court will facilitate a more effective, economic or expeditious liquidation of the company in the interests of the contributories and creditors. A supervision order takes effect for all purposes as if it was an order that the company be wound up by

the court except that a commenced voluntary winding up and the prior actions of the voluntary liquidator shall be valid and binding upon the company and its official liquidator.

For the purpose of conducting the proceedings in winding up a company and assisting the court, one or more persons may be appointed to be called an official liquidator(s).The court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more than one person is appointed to such office, the court shall declare whether any act required or authorized 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.

(q) Reconstructions

Reconstructions and amalgamations may be approved by a majority in number representing 75% in value of the members or creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the courts. Whilst a dissenting member has the right to express to the court his view that the transaction for which approval is being sought would not provide the members with a fair value for their shares, the courts are unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management, and if the transaction were approved and consummated the dissenting member would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of their shares) ordinarily available, for example, to dissenting members of a United States corporation.

(r) Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may, at any time within two months after the expiration of that four-month period, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the Cayman Islands courts within one month of the notice objecting to the transfer. The burden is on the dissenting member 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 members.

(s) 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, save to the extent any such provision may be held by the court to be contrary to public policy, for example, where a provision purports to provide indemnification against the consequences of committing a crime.

4. GENERAL

Appleby, the Company's legal advisor on Cayman Islands law, has sent to the Company a letter of advice which summarises certain aspects of the Cayman Islands company law. This letter, together with a copy of the Companies Act, is available for inspection as referred to in the paragraph headed "Documents Available for Inspection" in Appendix V. Any person wishing to have a detailed summary of Cayman Islands company law 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.

FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation

Our Company was incorporated in the Cayman Islands under the Cayman Islands Companies Act as an exempted company with limited liability on September 21, 2020.

Our Company has been registered in Hong Kong under Part 16 of the Companies Ordinance as a non-Hong Kong company on April 21, 2021 and its principal place of business in Hong Kong is at 28/F., Henley Building, No. 5 Queen's Road Central, Central, Hong Kong. In compliance with the requirements of the Companies Ordinance, Chungs Lawyers of 28/F., Healey Building, No. 5 Queen's Road Central, Central, Hong Kong has been appointed as our authorized representative for the acceptance of service of process and any notice required to be served on our Company in Hong Kong.

Our Company was incorporated in the Cayman Islands and is subject to the Cayman Islands law. Its constitution comprises Memorandum of Association and Articles of Association. A summary of certain relevant parts of its constitution and certain relevant aspects of Cayman Islands company law is set out in Appendix III to this document.

2. Changes in the share capital of our Company

(a) Share capital

As at the date of incorporation of our Company on September 21, 2020, our authorized share capital was US$50,000 divided into 50,000 shares of a nominal or par value of US$1.00 each.

On the date of incorporation, the Company allotted and issued one Share at par, credited as fully paid to a company service provider, which was transferred to Supreme Development. On the same day, 6,999 and 3,000 shares of a nominal or par value of US$1.00 each were allotted and issued at par, credited as fully paid, to Supreme Development and Vast Business, respectively.

On February 8, 2021, Supreme Development transferred 1,360 Shares to Aura at the consideration of RMB3,825,000. On March 9, 2021, US$8,000 standing to the credit of the share premium account of our Company was capitalized by applying such sum in paying up in full at par 8,000 Shares for allotment and issue to the following existing holders of Shares in proportion:

	Number of capitalization Shares
Vast Business	2,400
Supreme Development	4,512
Aura	1,088

On March 9, 2021, the following Shares were allotted and issued credited as fully paid, to the following Pre-**[REDACTED]** Investors respectively:

Pre-[REDACTED] Investors	**Number of Shares allotted and issued**
Clever Gain	750
Market Harvest	450
Aoji Education	200
Sky Infinity	100
Week8	100
Gaorong Partners Fund V-A	52
Gaorong Partners Fund V	348

On October 8, 2021, each issued and unissued share of par value US1.00 was subdivided into 100 shares of par value US$0.01 each, such that immediately following the Share Subdivision, the authorized share capital of our Company became US$50,000 divided into 5,000,000 shares of par value US$0.01 each pursuant to a written resolution passed by our Shareholders as disclosed in the paragraph headed "Further Information about Our Company — 3. Resolutions in Writing of Our Shareholders Passed on October 8, 2021" of this appendix.

On October 8, 2021, the authorized share capital of our Company was increased from US$50,000 divided into 5,000,000 Shares (after the Share Subdivision) to US$100,000,000 divided into 10,000,000,000 Shares by the creation of an additional 9,995,000,000 Shares pursuant to a written resolution passed by our Shareholders as disclosed in the paragraph headed "Further Information about Our Company — 3. Resolutions in Writing of Our Shareholders Passed on October 8, 2021" of this appendix.

Immediately following the completion of the [**REDACTED**] and the [**REDACTED**], assuming the [**REDACTED**] is exercised in full, but taking no account of any Shares which may be allotted and issued upon the exercise of any options which have been or may be granted under the Share Option Scheme, the issued share capital of our Company will be US$[**REDACTED**] divided into [**REDACTED**] Shares, all fully paid or credited as fully paid, and [**REDACTED**] Shares will remain unissued.

Other than pursuant to the exercise of the [**REDACTED**] and the exercise of any options which have been or may be granted under the Share Option Scheme, there is no present intention to issue any of the authorized but unissued share capital of our Company and, without the prior approval of the Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Save as disclosed herein and in paragraphs headed "Further Information about Our Company — 3. Resolutions in Writing of Our Shareholders Passed on October 8, 2021" and "Further Information about Our Company — 4. Group Reorganization" of this appendix, there has been no alteration in the share capital of our Company since its incorporation.

(b) Founder shares

Our Company has no founder shares, management shares or deferred shares.

3. Resolutions in writing of our Shareholders passed on October 8, 2021

Written resolutions were passed by our Shareholders on October 8, 2021 pursuant to which, among other matters:

(a) the existing issued and unissued Shares of a nominal or par value US$1.00 each in the share capital of our Company subdivided into 100 subdivided Shares of a nominal or par value US$0.01 each, such that the authorized share capital of the Company be subdivided from US$50,000 divided into 50,000 shares of a nominal or par value of US$1.00 each to US$50,000 divided into 5,000,000 shares of a nominal or par value of US$0.01 each;

(b) the authorized share capital of our Company was increased from US$50,000 divided into 5,000,000 Shares of a nominal or par value of US$0.01 each to US$100,000,000 divided into 10,000,000,000 of a nominal or par value of US$0.01 each with immediate effect;

(c) our Company approved and adopted the Memorandum of Association and the Articles of Association with effect from the [**REDACTED**] Date;

(d) conditional on (aa) the Listing Committee granting [**REDACTED**] of, and permission to deal in, the Shares in issue and to be issued as mentioned in this document; (bb) the [**REDACTED**] having been determined; (cc) the execution and delivery of the [**REDACTED**] on or before the date as mentioned in this document; and (dd) the obligations of the [**REDACTED**] under the [**REDACTED**] becoming unconditional and not being terminated in accordance with the terms of the [**REDACTED**] or otherwise, in each case on or before such dates or may be specified in the [**REDACTED**];

(i) the [**REDACTED**] and the [**REDACTED**] were approved and our Directors were authorized to allot and issue of the [**REDACTED**] pursuant to the [**REDACTED**] and such number of Shares as may be required to be allotted and issued upon the exercise of the [**REDACTED**];

(ii) the rules of the Share Option Scheme, the principal terms of which are set out in paragraph 13 of this Appendix, were approved and adopted and our Directors were authorized to approve any amendments to the rules of the Share Option Scheme as may be acceptable or not objected to by the Stock Exchange, and at our Directors' absolute discretion to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of options which may be granted under the Share Option Scheme and to take all such steps as may be necessary, desirable or expedient to implement the Share Option Scheme;

(iii) conditional on the share premium account of our Company being credited as a result of the [**REDACTED**], our Directors were authorized to [**REDACTED**] US$[**REDACTED**] standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par [**REDACTED**] Shares for allotment and issue to holders of Shares whose names appear on the register of members of our Company at the close of business on the day prior to the [**REDACTED**] Date (or as they may direct) in proportion (as nearly as possible without involving fractions so that no fraction of a share shall be allotted and issued) to their then existing holdings in our Company and so that the Shares to be allotted and issued pursuant to this resolution should rank pari passu in all respects with the then existing issued Shares and our Directors were authorized to give effect to such [**REDACTED**];

(iv) a general unconditional mandate was given to our Directors to exercise all powers of our Company to allot, issue and deal with, 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 may be granted under the Share

Option Scheme, or under the [**REDACTED**] or the [**REDACTED**] or upon the exercise of the [**REDACTED**], Shares with an aggregate number of Shares of not exceeding the sum of (aa) 20% of the aggregate number of issued Shares immediately following completion of the [**REDACTED**] and the [**REDACTED**] but excluding any Shares which may be issued pursuant to the exercise of the [**REDACTED**], and (bb) the aggregate number of such Shares which may be purchased or repurchased 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, the Cayman Islands Companies Act or any other applicable Cayman Islands law to be held, or the passing of an ordinary resolution by the Shareholders revoking or varying the authority given to our Directors, whichever occurs first;

(v) a general unconditional mandate (the "**Repurchase Mandate**") was given to our Directors to exercise all powers of our Company to purchase or repurchase Shares on the Stock Exchange or other stock exchange on which the securities of our Company may be [**REDACTED**] and recognised by the SFC and the Stock Exchange for this purpose, with an aggregate number of Shares not exceeding 10% of the aggregate number of issued Shares immediately following the completion of the [**REDACTED**] and the [**REDACTED**] but excluding any Shares which may be issued pursuant to the exercise of the [**REDACTED**] 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, the Cayman Islands Companies Act, or any applicable Cayman Islands law to be held, or the passing of an ordinary resolution by the 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 pursuant to paragraph (iv) above to include the number of Shares which may be purchased or repurchased pursuant to paragraph (v) above;

(e) Mr. Zhang Peiao, Ms. Lin Ting and Mr. Wang Wenping were appointed as the independent non-executive Directors with effect from the date of written resolution; and

(f) our Company approved the form and substance of each of the service contracts made between each of our executive Directors and our Company, and the form and substance of each of the appointment letters made between each of our independent non-executive Directors with our Company.

4. Group reorganization

The companies comprising our Group underwent the Reorganization to rationalize our Group's structure in preparation for the [**REDACTED**] of the Shares on the Stock Exchange. For more details regarding the Reorganization, see section headed "History, Development and Reorganization — Reorganization" in this document.

5. Changes in share capital of subsidiaries

Save as disclosed in the section headed "History, Development and Reorganization" in this document and the paragraph headed "Further Information About the Business of Our Company — 7. Summary of Material Contracts" in this appendix, there has not been any changes in the share capital to any of our subsidiaries within the two years preceding to the date of this document.

6. Securities repurchase mandate

Restriction on share repurchase

The Listing Rules permits companies whose primary listing is on the Main Board of the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

This paragraph includes information required by the Stock Exchange to be included in this document concerning the repurchase by our Company of its own securities.

(a) Shareholders' approval

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company listed on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholder, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to a resolution in writing passed by our Shareholders on October 8, 2021, the Repurchase Mandate was given to our Directors authorizing any repurchase by our Company of Shares on the Stock Exchange or any other stock exchange on which the securities of our Company may be [**REDACTED**] and which is recognized by the SFC and the Stock Exchange for this purpose, of up to 10% of the number of issued Shares immediately following completion of the [**REDACTED**] and the [**REDACTED**], excluding any Share which may be allotted and issued upon the exercise of the [**REDACTED**] and any option which may be granted under the Share Option Scheme, such mandate to expire at the earliest of (i) the conclusion of our Company's next annual general meeting; (ii) the expiration of the period within which our Company's next annual general meeting is required by the Articles, the Cayman Islands Companies Act or any applicable laws of the

Cayman Islands to be held; and (iii) when varied or revoked by an ordinary resolution of our Shareholders in general meeting.

(b) Source of funds

Repurchases must be paid out of funds legally available for the purpose in accordance with the Articles of Association and the Cayman Islands Companies Act. A **[REDACTED]** company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Cayman Islands laws, any repurchases by our Company may be made out of profits of our Company, out of the share premium account or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if so authorized by the Articles of Association and subject to the provisions of the Cayman Islands Companies Act, out of capital.

Any premium payable on a redemption or repurchase over the par value of the Shares to be repurchased must be provided for out of the profits of our Company or from sums standing to the credit of the share premium account of our Company or, if authorized by the Articles of Association and subject to the provisions of the Cayman Islands Companies Act, out of capital.

(c) Reasons for repurchases

Our Directors believe that it is in the best interest of our Company and our Shareholders for our Directors to have general authority from our Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if our Directors believe that such repurchases will benefit our Company and our Shareholders.

(d) Funding of repurchases

In repurchasing securities, our Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands.

On the basis of the current financial position of our Group as disclosed in this document and taking into account the current working capital position of our Group, our Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Group as compared with the position disclosed in this document. However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Group or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Group.

The exercise in full of the Repurchase Mandate, on the basis of [**REDACTED**] Shares in issue immediately after the [**REDACTED**] (but taking no account of Shares which may be issued pursuant to the exercise of the [**REDACTED**] or the options which may be granted under the Share Option Scheme), would result in up to [**REDACTED**] Shares being repurchased by our Company during the period in which the Repurchase Mandate remains in force.

(e) General

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates has a present intention, in the event that the Repurchase Mandate is approved by our Shareholders, to sell any Shares to our Company or our subsidiaries.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws of the Cayman Islands.

If, as a result of a securities repurchase, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, a group of Shareholders acting in concert (within the meaning under the Takeovers Code) could obtain or consolidate control of our Company and become obliged under Rule 26 of the Takeovers Code to make a mandatory offer unless a whitewash waiver is obtained. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

Our Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the Listing Rules).

No core connected person (as defined in the Listing Rules) of our Company has notified our Company that he/she/it has a present intention to sell Shares to our Company, or has undertaken not to do so in the event that our Company is authorized to make purchases of Shares.

FURTHER INFORMATION ABOUT THE BUSINESS OF OUR COMPANY

7. 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 document and are or may be material:

(a) an equity transfer agreement dated November 2, 2020 entered into between Uju Hong Kong as purchaser, Guangzhou Uju as seller and Uju Beijing as subject matter company, pursuant to which Guangzhou Uju transferred its equity interest in Uju Beijing, representing 75% of the equity interest in Uju Beijing to Uju Hong Kong, at a consideration of RMB11,475,000;

(b) an equity transfer agreement dated November 2, 2020 entered into between Uju Hong Kong as purchaser, Winston as seller and Uju Beijing as subject matter company, pursuant to which Winston transferred its equity interest in Uju Beijing, representing 25% of the equity interest in Uju Beijing to Uju Hong Kong, at a consideration of RMB3,825,000;

(c) the share subscription agreement dated March 5, 2021 and entered into between Clever Gain, our Company, Supreme Development, Vast Business and Aura, in respect of the subscription of 750 Shares in our Company at a consideration of HK$75,000,000;

(d) the share subscription agreement dated March 5, 2021 and entered into between Market Harvest, our Company, Supreme Development, Vast Business and Aura, in respect of the subscription of 450 Shares in our Company at a consideration of HK$45,000,000;

(e) the share subscription agreement dated March 5, 2021 and entered into between Aoji Education, our Company, Supreme Development, Vast Business and Aura, in respect of the subscription of 200 Shares in our Company at a consideration of HK$20,000,000;

(f) the share subscription agreement dated March 5, 2021 and entered into between Sky Infinity, our Company, Supreme Development, Vast Business and Aura, in respect of the subscription of 100 Shares in our Company at a consideration of HK$10,000,000;

(g) the share subscription agreement dated March 5, 2021 and entered into between Week8, our Company, Supreme Development, Vast Business and Aura, in respect of the subscription of 100 Shares in our Company at a consideration of HK$10,000,000;

(h) the share subscription agreement dated March 5, 2021 and entered into between Gaorong Partners Fund V, Gaorong Partners Fund V-A, our Company, Supreme Development, Vast Business and Aura, in respect of the subscription of 348 and 52 Shares respectively in our Company at an aggregated consideration of HK$40,000,000;

(i) the Deed of Indemnity;

(j) the Deed of Non-competition;

(k) [**REDACTED**]; and

(l) [**REDACTED**].

8. Intellectual property rights of our Group

(a) Trademarks

As of the Latest Practicable Date, our Group was the registered proprietor and beneficial owner of the following material trademarks:

Trademark	Place of registration	Registration number	Class(es)	Registration date	Expiry date	Name of registered Proprietor
	PRC	34042847	42	June 14, 2019	June 13, 2029	Uju Beijing
	Hong Kong	305514516	42	January 22, 2021	January 21, 2031	Company
	Hong Kong	305514534	42	January 22, 2021	January 21, 2031	Company

(b) Domain names

As of the Latest Practicable Date, our Group was the registered proprietor of the following material registered domain names:

Name of registered proprietor	Domain name	Date of registration	Expiry date
Uju Beijing	www.ujumedia.com	October 14, 2015	October 14, 2025

The contents of the website(s) do not form part of this document.

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.

9. Connected transactions and related party transactions

Save as disclosed in the section headed "Relationship with Controlling Shareholders" and in note 35 to the accountant's report, the text of which is set out in Appendix I to this document, during the two years immediately preceding the date of this document, our Company has not engaged in any other material connected transactions or related party transactions.

FURTHER INFORMATION ABOUT DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

10. Directors

(a) Disclosure of interests of our Directors

Each of Mr. Ma, Mr. Peng and Ms. Luo is interested in the Reorganization and the transactions as contemplated under the material contracts as set out in the paragraph 7 of this Appendix.

Save as disclosed herein and in the section headed "History, Development and Reorganization" and "Relationship with Controlling Shareholders" in this document and in note 35 to the accountant's report, the text of which is set out in Appendix I to this document, none of our Directors or their associates were engaged in any dealings with our Group during the two years preceding the date of this document.

(b) Particulars of Directors' service contracts

Executive Directors

Each of our executive Directors has entered into a service contract with our Company for a term of three years commencing on the **[REDACTED]**

Date, until terminated by enter party giving not less than three months' notice in writing to the other. Each of our executive Directors is entitled to a remuneration and a discretionary bonus. The aggregate annual remuneration of our executive Directors is RMB4,260,000.

Independent non-executive Directors

Each of independent non-executive Directors has entered into an appointment letter with our Company for a term of three years commencing on [**REDACTED**] Date, until terminated by either party giving not less than three months' notice in writing to the other. The aggregate annual fees payable to our independent non-executive Directors is RMB216,000. Save for directors' fees, none of the independent non-executive Directors is expected to receive any other remuneration for holding their respective offices. The appointments are subject to the provisions of the Articles of Association with regard to vacation of office of Directors, removal and retirement by rotation of Directors.

Save as aforesaid, none of our Directors has or is proposed to have a service contract with our Company or any of our subsidiaries other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

(c) Directors remuneration

The aggregate emoluments paid and benefits in kind granted by our Group to our Directors in respect of the years ended December 31, 2018, 2019 and 2020 and for the four months ended April 30, 2021 were RMB4.9 million, RMB3.9 million, RMB4.1 million and RMB1.2 million, respectively.

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 independent non-executive Directors in their respective capacity as Directors) for the year ended December 31, 2021 are expected to be approximately RMB4.4 million.

Save for the indirect equity interest of Uju Beijing granted to Mr. Peng, Ms. Luo and Mr. Xie Song (謝嵩先生)*(Note)* as share-based payment through Matec, none of our Directors or any past directors of any member of our Group has been paid any sum of money for the years ended December 31, 2018, 2019 and 2020 and for the four months ended April 30, 2021 (i) as an inducement to join or upon joining our Group 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.

Note: Mr. Xie Song (謝嵩先生) has been director of Shanghai Juqing since its establishment.

There has been no arrangement under which a Director has waived or agreed to any emoluments for the years ended December 31, 2018, 2019 and 2020 and for the four months ended April 30, 2021.

(d) Interests and short positions of Directors and chief executive in the shares, underlying shares or debentures of our Company and its associated corporations

Immediately following completion of the [**REDACTED**] and the [**REDACTED**] and taking no account of any Shares which may be allotted and issued pursuant to the exercise of the [**REDACTED**] and the options which have been or may be granted under the Share Option Scheme, the interests and short positions of our Directors and chief executive in the Shares, underlying Shares or debentures of our Company and our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are 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 referred to therein, or which will be required to notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, once the Shares are [**REDACTED**] on the Stock Exchange, will be as follows:

Name of Director	Company concerned	Capacity/ Nature of interest	Class and number of securities held[(1)]	Percentage of shareholding in the company concerned
Mr. Ma	Our Company	Interest of controlled corporation[(2)/(3)]	[**REDACTED**] ordinary Shares (L)	[**REDACTED**]%

Notes:

(1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in our Shares.

(2) Aura is owned as to 95% by Supreme Development and as to 5% by Mr. Xiong. As such, Supreme Development is deemed to be interested in the [**REDACTED**] Shares (representing approximately [**REDACTED**]% of the total issued Shares immediately following completion of the [**REDACTED**] and the [**REDACTED**] (without taking account of Shares which may be allotted and issued upon the exercise of the [**REDACTED**] and the options which have been or may be granted under the Share Option Scheme)) held by Aura pursuant to the SFO. Supreme Development is owned as to 100% by Mr. Ma. As such, Mr. Ma is deemed to be interested in the [**REDACTED**] Shares (representing approximately [**REDACTED**]% of the total issued Shares immediately following completion of the [**REDACTED**] and the [**REDACTED**] (without taking account of Shares which may be allotted and issued upon the exercise of the [**REDACTED**] and the options which have been or may be granted under the Share Option Scheme)) deemed to be held by Supreme Development pursuant to the SFO.

(3) Mr. Ma has control of 100% of the voting rights of Vast Business and is deemed to be interested in the **[REDACTED]** Shares (representing approximately **[REDACTED]**% of the total issued Shares immediately following completion of the **[REDACTED]** and the **[REDACTED]** (without taking account of Shares which may be allotted and issued upon the exercise of the **[REDACTED]** and the options which have been or may be granted under the Share Option Scheme) held by Vast Business by virtue of the SFO. For further details of Vast Business and Mr. Ma's control over it, see the section headed "History, Development and Reorganization" in this document.

11. Substantial shareholders

So far as is known to our Directors, immediately following completion of the **[REDACTED]** and the **[REDACTED]** (without taking account of Shares which may be allotted and issued upon the exercise of the **[REDACTED]** and the options which have been or may be granted under the Share Option Scheme), the following persons (other than our Directors and chief executive) will have an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who are, directly or indirectly, interested in 10% or more of the issued voting shares of any other members of our Group:

Interest in our Company

			Immediately following completion of the [REDACTED] and the [REDACTED] (without taking account of Shares which may be allotted and issued upon the exercise of the [REDACTED] and the options which have been or may be granted under the Share Option Scheme)	
Shareholders	**Company concerned**	**Capacity/Nature of interest**	**Class and number of securities held [(1)]**	**Percentage of shareholding in the company concerned**
Supreme Development	Our Company	Beneficial owner	**[REDACTED]** ordinary Shares (L)*(Note 2)*	**[REDACTED]**%
		Interest of controlled corporation*(Note 3)*	**[REDACTED]** ordinary Shares (L)	**[REDACTED]**%
Ms. Yu Juan (喻娟)*(Note 4)*	Our Company	Interest of spouse	**[REDACTED]** ordinary Shares (L)	**[REDACTED]**%

			Immediately following completion of the [REDACTED] and the [REDACTED] (without taking account of Shares which may be allotted and issued upon the exercise of the [REDACTED] and the options which have been or may be granted under the Share Option Scheme)	
Shareholders	**Company concerned**	**Capacity/Nature of interest**	**Class and number of securities held (1)**	**Percentage of shareholding in the company concerned**
Vast Business	Our Company	Beneficial owner	[REDACTED] ordinary Shares (L)	[REDACTED]%
Aura	Our Company	Beneficial owner	[REDACTED] ordinary Shares (L)	[REDACTED]%

Note:

(1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in our Shares.

(2) Of these **[REDACTED]** Shares, **[REDACTED]** Shares may be subject to the **[REDACTED]** to be effected pursuant to the **[REDACTED]**.

(3) Aura is owned as to 95% by Supreme Development and as to 5% by Mr. Xiong. As such, Supreme Development is deemed to be interested in the **[REDACTED]** Shares (representing approximately **[REDACTED]**% of the total issued Shares immediately following completion of the **[REDACTED]** and the **[REDACTED]** (without taking account of Shares which may be allotted and issued upon the exercise of the **[REDACTED]** and the options which have been or may be granted under the Share Option Scheme)) held by Aura pursuant to the SFO.

(4) Ms. Yu Juan is the spouse of Mr. Ma. As such, Ms. Yu Juan is deemed under the SFO to be interested in the Shares in which Mr. Ma is interested upon the **[REDACTED]**.

Save as disclosed herein, our Directors are not aware of any person who will, immediately following the **[REDACTED]** and the **[REDACTED]** (without taking into account any Shares that may be issued pursuant to the exercise of the **[REDACTED]** or options which have been or may be granted under the Share Option Scheme), have an interest or short position in our Shares or underlying Shares, which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% of the issued voting shares of any other member of our Group.

12. Disclaimers

As of the Latest Practicable Date:

(a) save as disclosed in the section headed "Substantial Shareholders" in this document and "Further Information about Directors and Substantial

Shareholders – 11. Substantial Shareholders" in this appendix, our Directors are not aware of any other person (not being a Director or the chief executive of our Company) who will, immediately following the completion of the [**REDACTED**] and the [**REDACTED**], have interests and/or short positions in our Shares or underlying Shares of our Company which would fall to be disclosed to our Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, interested in 10% or more of the issued voting shares of any members of our Group;

(b) save as disclosed in the paragraph headed "Further Information about Directors and Substantial Shareholders — 10. Directors" in this appendix, none of our Directors or the chief executive of our Company has any interest or short position in the Shares, underlying Shares or debentures of our Company, our subsidiary or any of the associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is 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 referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, in each case once the Shares are [**REDACTED**];

(c) none of our Directors nor any of the parties listed in the paragraph headed "Other Information - 21. Consents of experts" in this section was interested, directly or indirectly, in the promotion of, or in any assets which had been, within the two years immediately preceding the date of this document, acquired or disposed of by or leased to our Company or any of the subsidiaries of our Company, or were proposed to be acquired or disposed of by or leased to our Company or any member of our Group nor will any Director apply for the [**REDACTED**] either in his own name or in the name of a nominee;

(d) save in connection with [**REDACTED**] and save as disclosed in this appendix, none of our Directors nor any of the parties listed in the paragraph headed "Other Information - 21. Consents of Experts" in this section was materially interested in any contract or arrangement subsisting at the date of this document which was significant to the business of our Group taken as a whole;

(e) save in connection with the [**REDACTED**], none of the experts referred to in the paragraph headed "Other Information - 21. Consents of Experts" in this section;

  (i) is interested legally or beneficially in any securities of any member of our Group; or

  (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group; and

(f) none of our Directors or their respective close associates nor, to the knowledge of our Directors, any Shareholders who held more than 5% of the total Shares as of the Latest Practicable Date had any interest in the five largest customers or the five largest suppliers of our Company.

OTHER INFORMATION

13. Share Option Scheme

(1) Summary of terms

The following is a summary of the principal terms of the Share Option Scheme conditionally adopted by a resolution in writing passed by our then Shareholders on October 8, 2021:

(a) Purpose

The Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions the Eligible Participants (as defined in paragraph (b) below) have had or may have made to our Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in our Company with the view to achieving the following objectives:

(i) motivating the Eligible Participants to optimize their performance efficiency for the benefit of our Group; and

(ii) attracting and retaining or otherwise maintaining on-going business relationships with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of our Group.

(b) Who may join

The Board may, at its discretion, offer to grant an option to subscribe for such number of new Shares as the Board may determine at an exercise price determined in accordance with paragraph (f) below to the following persons ("**Eligible Participants**"):

(i) any full-time or part-time employees, executives or officers of our Company or any of its subsidiaries;

(ii) any Directors (including non-executive Directors and independent non-executive Directors) of our Company or any of its subsidiaries;

(iii) any advisers, consultants, suppliers, customers and agents to our Company or any of its subsidiaries; and

(iv) such other persons who, in the sole opinion of the Board, will contribute or have contributed to our Group, the assessment criteria of which are:

(aa) contribution to the development and performance of our Group;

(bb) quality of work performed for our Group;

(cc) initiative and commitment in performing his/her duties; and

(dd) length of service or contribution to our Group.

(c) Acceptance of an offer of options

An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptance of the options duly signed by the grantee, together with a remittance in favour of our Company of HK$1.0 by way of consideration for the grant thereof, is received by our Company on or before the relevant acceptance date. Such payment shall in no circumstances be refundable. Any offer for grant of an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a [**REDACTED**] for [**REDACTED**] in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the option. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

Subject to paragraphs (l), (m), (n), (o) and (p), an option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one [**REDACTED**] for [**REDACTED**] in Shares on the Stock Exchange for the time being, by the grantee by giving notice in writing to our Company stating that the option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the exercise price for the Shares in respect of which the notice is given.

Within 21 days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate by the auditors to our Company or the independent financial adviser as the case may be pursuant to paragraph (r), our Company shall allot and issue the relevant number of Shares to the grantee credited as fully paid and issue to the grantee share certificates in respect of the Shares so allotted.

The exercise of any option shall be subject to our Shareholders in general meeting approving any necessary increase in the authorized share capital of our Company.

(d) Maximum number of shares

The maximum number of Shares which may be issued upon exercise of all option to be granted (including Shares in respect of which options, whether exercised or still outstanding, have already been granted) under the Share Option Scheme and under any other share option schemes of our Company must not in aggregate exceed 10% of the total number of Shares in issue on the [**REDACTED**] (but taking account of any Shares which may be issued under the exercise of the [**REDACTED**]), being [**REDACTED**] Shares (the "**Scheme Limit**"), excluding for this purpose Shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of our Company). Subject to the issue of a circular by our Company and the approval of our Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

(i) renew this limit at any time to 10% of the Shares in issue (the "**New Scheme Limit**") as at the date of the approval by our Shareholders in general meeting; and/or

(ii) grant options beyond the Scheme Limit to Eligible Participants specifically identified by the Board. The circular issued by our Company to our Shareholders shall contain a generic description of the specified Eligible Participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified Eligible Participants with an explanation as to how the options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

Notwithstanding the foregoing, the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Company at any time shall not exceed 30% of the Shares in issue from time to time (the "**Maximum Limit**"). No options shall be granted under any schemes of our Company (including the Share Option Scheme) if this will result in the Maximum Limit being exceeded. The maximum number of Shares in respect

of which options may be granted shall be adjusted, in such manner as the auditors of our Company or an approved independent financial adviser shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of our Company in accordance with paragraph (r) below whether by way of capitalization issue, rights issue, consolidation, sub-division of shares or reduction of the share capital of our Company but in no event shall exceed the limit prescribed in this paragraph.

(e) Maximum number of options to any one individual

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of our Company (including both exercised, outstanding options and Shares which were the subject of options which have been granted and accepted under the Share Option Scheme or any other scheme of our Company but subsequently cancelled (the "**Cancelled Shares**") to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

(i) the issue of a circular by our Company containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such participant) the information as required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and

(ii) the approval of our Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his/her close associates (as defined in the Listing Rules) (or his/her associates if the participant is a connected person) abstaining from voting. The numbers and terms (including the exercise price) of options to be granted to such participant must be fixed before our Shareholders' approval and the date of the Board meeting at which the Board proposes to grant the options to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the subscription price of the Shares. The Board shall forward to such Eligible Participant an offer document in such form as the Board may from time to time determine or, alternatively, documents accompanying the offer document which state, among other things:

(aa) the Eligible Participant's name, address and occupation;

(bb) the date on which an option is offered to an Eligible Participant which must be a date on which the Stock Exchange is open for the business of dealing in securities;

(cc) the date upon which an offer for an option must be accepted;

(dd) the date upon which an option is deemed to be granted and accepted in accordance with paragraph (c);

(ee) the number of Shares in respect of which the option is offered;

(ff) the subscription price and the manner of payment of such price for the Shares on and in consequence of the exercise of the option;

(gg) the date of the notice given by the grantee in respect of the exercise of the option; and

(hh) the method of acceptance of the option which shall, unless the Board otherwise determines, be as set out in paragraph (c).

(f) Price of shares

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of:

(i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;

(ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and

(iii) the nominal value of a Share.

(g) Granting options to connected persons

Any grant of options to a Director, chief executive or substantial shareholder (as defined in the Listing Rules) of our Company or any of their respective associates (as defined in the Listing Rules) is required to be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options). If the Board proposes to grant options to a substantial shareholder or any independent non-executive Director or their respective associates (as defined in the Listing Rules) which will result in the number of Shares issued and to be issued upon exercise of options granted and to be granted (including options

exercised, cancelled and outstanding) 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 in excess of HK$5 million or such other sum as may be from time to time provided under the Listing Rules, based on the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange at the date of each grant,

such further grant of options will be subject to the approval of our independent non-executive Directors as referred to in this paragraph, the issue of a circular by our Company and the approval of our Shareholders in general meeting on a poll at which the grantee, his/her associates and all core connected persons (as defined in the Listing Rules) of our Company shall abstain from voting in favour, and/or such other requirements prescribed under the Listing Rules from time to time. Any vote taken at the meeting to approve the grant of such options shall be taken as a poll.

The circular to be issued by our Company to our Shareholders pursuant to the above paragraph shall contain the following information:

(i) the details of the number and terms (including the exercise price) of the options to be granted to each selected Eligible Participant, which must be fixed before our Shareholders' meeting and the date of the Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the exercise price of such options;

(ii) a recommendation from our independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options) to the independent Shareholders as to voting;

(iii) the information required under Rule 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and

(iv) the information required under Rule 2.17 of the Listing Rules.

(h) Restrictions on the times of grant of options

A grant of options may not be made after inside information has come to our Company's knowledge until such information has been announced pursuant to the requirements of the Listing Rules and the Inside Information Provisions of Part XIVA of the SFO. In particular, no options may be granted during the period commencing one month immediately preceding the earlier of:

(i) the date of the Board meeting (such date to first be notified to the 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

(ii) the deadline for our Company to publish an announcement of the results for any year, or half-year, or quarterly or any other interim period (whether or not required under the Listing Rules);

and ending on the date of actual publication of the results announcement.

(i) Rights are personal to grantee

An option is personal to the grantee. No grantee shall in any way sell, transfer, assign, 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 attempt to do so (save that the grantee may nominate a nominee in whose name the Shares issued pursuant to the Share Option Scheme may be registered). Any breach of the foregoing by a grantee shall entitle our Company to cancel any outstanding options or any part thereof granted to such grantee.

(j) Time of exercise of option and duration of the share option scheme

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of ten years from that date. The minimum period for which an option must be held before it can be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than ten years after it has been granted. No option may be granted more than ten years after the date of approval of the Share Option Scheme by the Shareholders of our Company (the "**Adoption Date**"). Subject to earlier termination by our Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of ten years from the Adoption Date.

(k) Performance target

A grantee may be required to achieve any performance targets as the Board may then specify in the grant before any options granted under the Share Option Scheme can be exercised.

(l) Rights on ceasing employment/death

If the grantee of an option ceases to be an Eligible Participant:

(i) by any reason other than death, ill-health, injury, disability or termination of his/her relationship with our Company and/or any of its subsidiaries on one or more of the grounds specified in paragraph (m) below, the grantee may exercise the option up to the entitlement of the grantee as at the date of cessation (to the extent not already exercised) in whole or in part within a period of one month (or such longer period as the Board may determine) from such cessation which date shall be the last actual working day with our Company or the relevant subsidiary whether salary is paid in lieu of notice or not, failing which it will lapse (or such longer period as our Company may determine); or

(ii) by reason of death, ill-health, injury or disability (all evidenced to the satisfaction of the Board) and none of the events which would be a ground for termination of his relationship with our Company and/or any of its subsidiaries under paragraph (m) has occurred, the grantee or, as appropriate, his personal representative(s) may exercise the option in full (to the extent not already exercised) within a period of 12 months (or such longer period as the Board may determine) from the date of cessation of being an Eligible Participant or death.

(m) Rights on dismissal

If the grantee of an option ceases to be an Eligible Participant on the grounds that he has been guilty of serious misconduct, or has committed any act of bankruptcy or is unable to pay his/her debts or has become insolvent or has made any arrangements or composition with his/ her creditors generally, or has been convicted of any criminal offence involving his/her integrity or honesty, or has been in breach of contract, his/her option will lapse and not be exercisable after the date of termination of his/her employment.

(n) Rights on takeover

If a general offer is made to all our Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror (as defined in the

Takeovers Code)) and such offer becomes or is declared unconditional during the option period of the relevant option, the grantee of an option shall be entitled to exercise the option in full (to the extent not already exercised) at any time within 14 days after the date on which the offer becomes or is declared unconditional.

(o) Rights on winding-up

In the event that a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall forthwith give notice thereof to all grantees and thereupon, each grantee (or his/her legal personal representative(s)) shall be entitled to exercise all or any of his/her options (to the extent not already exercised) at any time not later than two Business Days prior to the proposed general meeting of our Company referred to above by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given, whereupon our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting, allot the relevant Shares to the grantee credited as fully paid.

(p) Rights on compromise or arrangement between our company and its members or creditors

If a compromise or arrangement between our Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of our Company or its amalgamation with any other companies pursuant to the laws of the jurisdiction in which our Company was incorporated, our Company shall give notice to all the grantees of the options on the same day as it gives notice of the meeting to its members or creditors summoning the meeting to consider such a compromise or arrangement and any grantee may by notice in writing to our Company accompanied by a remittance for the full amount of the aggregate subscription price for our Shares in respect of which the notice is given (such notice to be received by our Company no later than two business days prior to the proposed meeting), exercise the option to its full extent or to the extent specified in the notice and our Company shall as soon as possible and in any event no later than the business day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the grantee which falls to be issued on such exercise of the option credited as fully paid and register the grantee as holder thereof.

With effect from the date of such meeting, the rights of all grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement does not become effective and is

terminated or lapses, the rights of grantees to exercise their respective options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall become exercisable.

(q) Ranking of shares

Our Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the grantee (or any other person) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options will rank *pari passu* and shall have the same voting, dividend, transfer and other rights (including those arising on liquidation) as at attached to the other fully-paid Shares in issue on the date of exercise, save that they will not rank for any dividend or other distribution declared or recommended or resolved to be paid or made by reference to a record date falling on or before the date of exercise.

(r) Effect of alterations to capital

In the event of any alteration in the capital structure of our Company whilst any option may become or remains exercisable, whether by way of [**REDACTED**], rights issue, consolidation, subdivision or reduction of share capital of our Company, such corresponding alterations (if any) shall be made in the number of Shares subject to any outstanding options and/or the subscription price per Share of each outstanding option as the auditors of our Company or an independent financial adviser shall certify in writing to the Board to be in their/ his/her opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes. The capacity of the auditors of our Company or the approved independent financial adviser, as the case may be, in this paragraph is that of experts and not arbitrators and their certificate shall, in the absence of manifest error, be final and conclusive and binding on our Company and the grantees.

Any such alterations will be made on the basis that a grantee shall have the same proportion of the equity capital of our Company (as interpreted in accordance with the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes) for which any grantee of an option is entitled to subscribe pursuant to the options held by him/her before such alteration provided that no such alteration shall be made if the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

(s) Expiry of option

An option shall lapse automatically and shall not be exercisable (to the extent not already exercised) on the earliest of:

(i) the date of expiry of the option as may be determined by the Board;

(ii) the expiry of any of the periods referred to in paragraphs (l) and (n); or

(iii) the date upon which the scheme of arrangement of our Company referred to in paragraph (p) becomes effective;

(iv) subject to paragraph (o), the date of commencement of the winding-up of our Company;

(v) the date upon which the grantee ceases to be an Eligible Participant by reason of such grantee's resignation from the employment of our Company or any of its subsidiaries or the termination of his/her employment or contract on the grounds that he or she has been guilty of serious misconduct, or has committed any act of bankruptcy or is unable to pay his/her debts or has become insolvent or has made any arrangement or has compromised with his or her creditors generally, or has been convicted of any criminal offence involving his/her integrity or honesty or has been in breach of contract. A resolution of the Board to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; or

(vi) the date upon which the Board shall exercise our Company's right to cancel the option at any time after the grantee commits a breach of paragraph (i) above or the options are cancelled in accordance with paragraph (u) below.

(t) Alteration of the share option scheme

The Share Option Scheme may be altered in any respect by resolution of the Board except that:

(i) any alteration to the advantage of the grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules; and

(ii) any material alteration to the terms and conditions of the Share Option Scheme or any change to the terms of options granted, shall first be approved by our Shareholders in general meeting provided that if the proposed alteration shall adversely affect any option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the Share Option Scheme. The amended terms and any adjustment to be made to the exercise price of the Share Option Scheme shall still comply with Chapter 17 of the Listing Rules, the supplemental guidance of 5 September 2005 and any future guidance or interpretation of the Listing Rules from time to time and any change to the authority of the Board in relation to any alteration to the terms of the Share Option Scheme must be approved by the Shareholders in general meeting.

(u) Cancellation of options

Any cancellation of options granted but not exercised must be approved by the grantees of the relevant options in writing. For the avoidance of doubt, such approval is not required in the event that any option is cancelled pursuant to paragraph (i).

(v) Termination of the share option scheme

Our Company may by resolution in general meeting or the Board may at any time terminate the Share Option Scheme and in such event no further option shall be offered but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any option granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

(w) Administration of the board

The Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.

(x) Conditions of the share option scheme

The Share Option Scheme is conditional on:

(i) the [**REDACTED**] granting approval to the [**REDACTED**] of and permission to deal in, on the Main Board of the Stock Exchange, our Shares which may fall to be issued pursuant to the exercise of options to be granted under the Share Option Scheme;

(ii) the obligations of the [**REDACTED**] under the [**REDACTED**] becoming unconditional (including, if relevant, as a result of the waiver of any such condition(s) by the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**])) and not being terminated in accordance with the terms of the [**REDACTED**] or otherwise; and

(iii) the commencement of dealings in the Shares on the Stock Exchange.

If the conditions in paragraph (x) above are not satisfied within 12 calendar months from the Adoption Date:

(i) the Share Option Scheme shall forthwith determine;

(ii) any option granted or agreed to be granted pursuant to the Share Option Scheme and any offer of such a grant shall be of no effect; and

(iii) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Share Option Scheme or any option granted thereunder.

(y) Disclosure in annual and interim reports

Our Company will disclose details of the Share Option Scheme in its annual and interim reports including the number of options, date of grant, exercise price, exercise period and vesting period during the financial year/period in the annual/interim reports in accordance with the Listing Rules in force from time to time.

(2) Present status of the Share Option Scheme

(a) Approval of the Listing Committee required

The Share Option Scheme is conditional on the Listing Committee of the Stock Exchange granting the [**REDACTED**] of, and permission to [**REDACTED**], such number of Shares to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme, such number being not less than that of the General Scheme Limit.

(b) Application for approval

Application has been made to the Listing Committee of the Stock Exchange for the [**REDACTED**] of and permission to [**REDACTED**] 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.

(c) Grant of option

As at the date of this document, no options have been granted or agreed to be granted under the Share Option Scheme.

(d) Value of options

The 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 of 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. The Directors believe that any calculation of the value of options as of the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to investors.

(e) Compliance with Listing Rules

The Share Option Scheme complies with Chapter 17 of the Listing Rules.

14. Estate duty, tax and other indemnities

On October 8, 2021, each of our Controlling Shareholders (the "**Indemnifier**", collectively the "**Indemnifiers**") entered into the Deed of Indemnity with and in favor of our Company (for ourselves and as trustee for each of our present subsidiaries), 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 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 [**REDACTED**];

(b) tax liabilities (including all fines, penalties, costs, charges, expenses and interests incidental or relating to taxation) which might be payable by any member of our Group in respect of any income, profits, gains, transactions, events, matters or things earned, accrued, received, entered into or occurring on or before the [**REDACTED**], 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 and including any and all tax liabilities resulting from the receipt by our Group on or before the [**REDACTED**] of any amounts payable thereunder;

(c) any expenses, payments, sums, outgoings, fees, demands, claims, damages, losses, costs (including but not limited to legal and other professional costs), charges, liabilities, fines, penalties in connection with any failure, delay or defects of corporate or regulatory compliance or errors, discrepancies or missing documents in the statutory records of any member of our Group under, or any breach of any provision of, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance or any other applicable laws, rules or regulations on or before the date on which the [**REDACTED**] becomes unconditional;

(d) all claims, actions, losses, damages, costs or expenses suffered or incurred by any of the members of our Group in connection with the social insurance and housing provident fund contributions by any member of our Group entrusting a third party payment agent for making social insurance and housing provident fund contributions as required by the relevant laws and regulations in the PRC on behalf of our Group and any failure to make in accordance with the relevant laws and regulations in the PRC from their respective date of establishment to the [**REDACTED**];

(e) all claims, payments, suits, damages, settlements, sums, outgoings, fees, losses and any associated costs and expenses which would be incurred or suffered directly or indirectly, from or on the basis of or in connection with the legal proceedings and non-compliance matters by any member of our Group as described in the section headed "Business — Legal Proceedings and Compliance" in this document or in connection with any other non-compliance of any member of our Group which has occurred at any time on or before the [**REDACTED**];

(f) all potential liabilities, losses and damages resulting from any suspension of operation and/or relocation costs and expenses sustained or incurred as a result of or in connection with any title defects of our Group's leased properties in Beijing, Chongqing, Shanghai and Guangzhou as described in the section headed "Business — Properties" in this document;

(g) any depletion in or reduction in value of our assets or any loss, costs, expenses, damages or other liabilities which any members of our Group may incur or suffer arising from or in connection with the implementation of the Reorganization.

Each Indemnifier is 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 April 30, 2021;

(b) to the extent that such taxation or liability falling on any of the members of our Group in respect of any accounting period commencing on or after May 1, 2021 and ending on the [**REDACTED**], 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 Indemnifier, other than any such act, omission or transaction:

(i) carried out or effected in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets on or before the [**REDACTED**]; and

(ii) carried out, made or entered into pursuant to a legally binding commitment created on or before the [**REDACTED**] or pursuant to any statement of intention made in this document; 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 to the extent such claim arises or is increased by an increase in rates of taxation or claim 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 April 30, 2021 which is finally established to be an over-provision or an excessive reserve, in which case the Indemnifier' liability (if any) in respect of taxation shall be reduced by an amount not exceeding such provision or reserve, provided that the amount of any such provision or reserve applied referred to in this paragraph to reduce the Indemnifier' liability in respect of taxation shall not be available in respect of any such liability arising thereafter.

Under the Deed of Indemnity, each Indemnifier has also undertaken to us that it will indemnify and at all times keeps us fully indemnified, on a joint and several basis, from any depletion in or reduction in value of its assets or any loss (including all legal costs and suspension of operation), cost, expenses, damages or other liabilities which any member of our Group may incur or suffer arising from or in connection with the implementation of the Reorganization.

15. Litigation

As of the Latest Practicable Date, save as disclosed in the section headed "Business — Legal Proceedings and Compliance" in this document, our Company is not involved in any material litigation, arbitration or administrative proceedings. So far as we are aware, no such litigation, arbitration or administrative proceedings are pending or threatened.

16. Preliminary expenses

Our preliminary expenses are approximately RMB70,000. All preliminary expenses and all expenses relating to the [**REDACTED**] will be borne by our Company.

17. Promoters

We have no promoter for the purpose of the Listing Rules. Within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given to the promoters named above in connection with the [**REDACTED**] or the related transactions described in this document.

18. Agency fees or commissions paid or payable

Save as disclosed in the section headed "[**REDACTED**] — [**REDACTED**] Arrangement — [**REDACTED**] and Expenses" in this document, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries within the two years ended on the date of this document.

19. Sole Sponsor

Save for the advisory fees in the amount of HK$[**REDACTED**] payable to CMBC International Capital Limited as the Sole Sponsor in connection with the [**REDACTED**], the advisory fees to be paid to CMBC International Capital Limited as our compliance advisor with effect from the [**REDACTED**] and the commission as disclosed in the section headed "[**REDACTED**]" of this document to be paid to [**REDACTED**] for its obligation under the [**REDACTED**], neither the Sole Sponsor nor any of its close associates has or may, as a result of the [**REDACTED**], have any interests in any class of securities of our Company or any of our subsidiaries (including options or rights to subscribe for such securities). The Sole Sponsor has confirmed that it satisfied the independence criteria applicable to sponsors set as out in Rule 3A.07 of the Listing Rules.

20. Qualification of experts

The qualifications of the experts who have given opinions in this document are as follows:

Name	Qualifications
CMBC International Capital Limited	A corporation licensed under the SFO to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountants Ordinance (Cap.50) Registered Public Interest Entity Auditor under Financial Reporting Council Ordinance (Cap.588)
Appleby	Legal advisors to our Company as to the Cayman Islands laws
Shanghai iResearch Co., Ltd.	Industry consultant
Global Law Office	Legal advisors to our Company as to the PRC laws
Jingtian & Gongcheng	Legal advisors to the Sole Sponsor and the [**REDACTED**] as to the PRC laws

Save for the [**REDACTED**], none of the experts named above 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 members of our Group.

21. Consents of experts

Each of the experts as referred to in the paragraph headed "Other Information - 20. Qualification of Experts" in this Appendix has given, and has not withdrawn, their respective written consents to the issue of this document with the inclusion of their reports and/or letters and/or opinion (as the case may be) and the references to their names or summaries of opinions included herein in the form and context in which they are respectively included.

22. Binding effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

23. 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) The Cayman Islands

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.

(c) Consultation with professional advisers

Intending holders of 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 Shares or exercising any rights attaching to them. It is emphasized that none of our Company, our Directors or the other parties involved in the [**REDACTED**] 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.

24. Financial Adviser

We have engaged SBI China Capital Hong Kong Securities Limited as our Financial Adviser to provide financial advisory services in relation to the [**REDACTED**]. The principal function performed by our Financial Adviser is to assist our Company to provide information requested by the Sole Sponsor and the legal advisors pertaining to the [**REDACTED**]. The Sole Sponsor has not relied on the work performed by the Financial Adviser in relation to the [**REDACTED**].

25. Bilingual document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

26. Miscellaneous

(a) Save as disclosed in the section headed "History, Development and Reorganization" in this document and the paragraph headed "Further Information about Our Company" and "Further Information about the Business of Our Company — 7. Summary of Material Contracts" and "Other Information — 13. Share Option Scheme" in this appendix, within two years preceding the date of this document, no share or loan capital of our Company or of any of our subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash;

(b) Save as disclosed in the section headed "[**REDACTED**] — [**REDACTED**] Arrangement — [**REDACTED**] and Expenses" in this document, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries and none of our Directors nor any of the parties listed in the paragraph headed "Other Information – 20. Qualification of Experts" has received any such payment or benefit; and

(c) Within two years preceding the date of this document, no commission (excluding the commission to the [**REDACTED**]) has been paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions, for any shares or debentures in our Company or any of our subsidiaries;

(d) 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;

(e) 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 document;

(f) Our Company has no outstanding convertible debt securities or debentures;

(g) Save as disclosed in the paragraph headed "Further Information about the Business of Our Company — 7. Summary of Material Contracts" in this appendix, none of our Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group;

(h) No capital of any member of our Group is under option, or agreed conditionally or unconditionally to be put under option; and

(i) We have not issued or agreed to issue any founder or management or deferred Shares.

(j) Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since April 30, 2021 (being the date to which the latest combined financial statements of our Group were made up) up to the date of this document.

(k) There is no arrangement under which future dividends are waived or agreed to be waived.

(l) No company within our Group is presently listed on any stock exchange or traded on any trading system.

27. Others

The English text of this document shall prevail over the Chinese text.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were, amongst other documents, copies of the [**REDACTED**], the written consents referred to in the paragraph headed "Other Information — 21. Consents of Experts" in Appendix IV to this document, and certified copies of the material contracts referred to in the paragraph headed "Further Information about The Business of Our Company — 7. Summary of Material Contracts" in Appendix IV to this document.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Messrs. Chungs Lawyers in association with DeHeng Law Offices at 28/F, Henley Building, 5 Queen's Road Central, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this document:

(a) the Memorandum of Association and the Articles of Association;

(b) the accountant's report of our Group from PricewaterhouseCoopers, the text of which is set out in Appendix I to this document;

(c) the report in relation to unaudited pro forma financial information from PricewaterhouseCoopers, the text of which is set out in Appendix II to this document;

(d) the audited combined financial statements of our Company for the Track Record Period;

(e) the letter of advice prepared by Appleby, being the legal advisors to our Company as to Cayman Islands law, summarizing certain aspects of Cayman Islands Company law referred to in Appendix III to this document;

(f) the legal opinion prepared by Global Law Office, being the legal advisors to our Company as to PRC law, in respect of the certain aspects of our Group and the property interests of our Group in the PRC;

(g) the legal opinion prepared by Jingtian & Gongcheng, being the legal advisors to the Sole Sponsor and the [**REDACTED**] as to PRC law, in respect of the certain aspects of our Group in the PRC;

(h) the industry report prepared by Shanghai iResearch Co., Ltd.;

(i) the Cayman Islands Companies Act;

(j) the material contracts referred to in the section headed "Further Information about The Business of Our Company — 7. Summary of Material Contracts" in Appendix IV to this document;

(k) the written consents referred to in the section headed "Other Information — 21. Consents of Experts" in Appendix IV to this document;

(l) the service contracts and letters of appointment referred to in the paragraph headed "Further Information about Directors And Substantial Shareholders — 10. Director — (b) Particulars of Directors' Service Contracts" in Appendix IV to this document; and

(m) the rule of the Share Option Scheme.