
FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

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

USE OF [REDACTED]

The net [REDACTED] from the [REDACTED] (assuming that the [REDACTED] is not exercised) to be received by the Company, after deducting the [REDACTED] commission and other estimated expenses in connection with the [REDACTED], are expected to be approximately HK\$[REDACTED], assuming that the [REDACTED] is HK\$[REDACTED] (being the mid-point of the [REDACTED] range).

In line with our strategies, we intend to use the net [REDACTED] of the [REDACTED] for the following purposes:

IP Pool Expansion

- Approximately 10% or approximately HK\$[REDACTED] will be allocated to further expand our IP pool. From time to time, we will explore and purchase high-potential IPs from social media platforms, books, movies or major online literature platforms, and acquire quality scripts from relevant IP owners or scriptwriters for our further development. We also plan to recruit talented writers to join our in-house concept development team to enhance our concept development capability of original IPs thus we can exclusively secure the IPs produced by them. In addition, we plan to enhance our script development capability as well, through full-time hire of or close collaboration with talented scriptwriters from industry and social media platforms. We also plan to enhance our channels to identify outstanding young writers, such as through hosting and participating in more writing contests in the PRC.

Drama Series Production and Promotion

- Approximately 50% or approximately HK\$[REDACTED] will be allocated to further produce our original drama series. We are going to produce more high-quality premium drama series in the coming years. For drama series to be funded in part with net [REDACTED] from the [REDACTED], we plan to fund the remaining amounts through cash from operations and trade receivables collected.
 - Approximately 45% or approximately HK\$[REDACTED] will be allocated to production of our original drama series. In the pre-production phase, we are in charge of casting, selection of production crew, script review, location scouting and design and construction of shooting sets, formulation and commencement of product placement plans, and purchase and lease of filming equipment and props. In the filming phase, the production is led by our directors and producers, who are supported by professional teams with areas of expertise including filming, lighting,

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props, costumes, make-ups, settings and art, among many others. In the post-production phase, it primarily involves (i) video and sound editing; (ii) voice dubbing; (iii) creating and recording music; (iv) sound mixing; (v) special effects; and (vi) color grading.

We plan to fund our drama series in part with net [REDACTED] from the [REDACTED] and the remaining amounts through cash from operations and trade receivables collected. The table below sets forth the detailed information of the drama series that we plan to use the net [REDACTED] to fund:

No.	Name of the drama series (temporary)	Business nature	Genre	Number of episodes	Investment percentage	Estimated investment	Expected broadcasting time	Status as of the Latest Practicable Date
						Our amount from the net [REDACTED] (HK\$ in millions)		
1	“Utter Innocence” (赤子之心)	Original drama series	Modern	40	100%	[REDACTED]	December 2022	Under script development/ pre-production
2	“Yinian Mountain Guan” (一念關山)	Original drama series	Costume	40	100%	[REDACTED]	August 2023	Under script development/ pre-production
3	“A Little Reunion 2” (小歡喜2)	Original drama series	Modern	40	100%	[REDACTED]	December 2023	Under script development/ pre-production
4	“Palace of Chen” (宸宮)	Original drama series	Costume	40	100%	[REDACTED]	October 2024	Under script development/ pre-production
5	“Fourty is Just Right” (四十正好)	Original drama series	Modern	40	100%	[REDACTED]	November 2024	Under script development/ pre-production
6	“The Small Mansion Gate” (小宅門)	Original drama series	Modern	40	100%	[REDACTED]	December 2024	Under script development/ pre-production
7	“The Moon Shines Bright” (月明千里)	Original drama series	Costume	40	100%	[REDACTED]	December 2024	Under script development/ pre-production

- o Approximately 5% or approximately HK\$[REDACTED] will be allocated to distribution and promotion of our original drama series. In the distribution phase, we establish an effective market summary, analysis and feedback mechanism to further enhance our distribution process. In the promotion process, we primarily promote our drama series through interactive marketing on social media platforms and video

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sharing platforms. We formulate tailored promotion plans based on the demographics of the target audience of our original drama series. Our promotion activities also include press releases, marketing campaigns, drama series release conferences and media interviews with the major cast members.

Initiatives into Emerging Business Opportunities

- Approximately 15% or approximately HK\$[REDACTED] will be allocated to initiatives in emerging business opportunities, including but not limited to, the development and commercialization of accounts of characters in our drama series in short form videos, the development and commercialization of content marketing and advertising, as well as IPs extension in non-video entertainment media. These initiatives will broaden ways of monetization of our IPs. For example, (i) the marketing of accounts on short video platforms will attract more audiences to view contents created by us, and (ii) development of our new content marketing and advertising business would enhance our capability in offering one-stop integrated marketing services to satisfy the needs of our current marketing customer and attract new customers.

Potential Strategic Investment and Acquisition Opportunities

- Approximately 15% or approximately HK\$[REDACTED] will be allocated to pursue strategic investment and acquisition opportunities, such as companies possessing IP or IP development capabilities (for example, companies possessing literature IPs) and downstream businesses (for example, content marketing and e-commerce) to become our subsidiaries, to implement our long-term IP-centric growth strategies for content development and industry penetration, and cultivate our vibrant IP ecosystem to further increase our influence among audiences. We will consider to invest in, acquire or establish joint ventures with the target, among other ways, depending on the actual situation. Minority investments into targets or strategic acquisitions as such are considered common business operation in the industry to strengthen the competitiveness of IP, contents and offerings. We plan to secure targets with an estimated market value between approximately RMB100 million to RMB600 million and plan to use approximately RMB20 million to RMB100 million for each round of investment. We believe that there are suitable targets available on the market as the IP development and the downstream market is highly fragmented involving various types of market players with different backgrounds and scales, according to Frost & Sullivan. As of the Latest Practicable Date, we had not identified or pursued any strategic investment or acquisition target and had not set any definitive investment or acquisition timeframe.

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Working Capital and General Corporate Purposes

- Approximately 10% or approximately HK\$[REDACTED] will be used for general corporate purposes.

IMPLEMENTATION TIMELINE

The following sets forth a breakdown of the net [REDACTED] to be applied by different periods of time.

	2022	2023	2024	Total
	<i>(in millions of HK\$)</i>			
IP pool expansion	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Drama series production and promotion	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
– Production	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
– Distribution and promotion	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Initiatives into emerging business opportunities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Strategic investment and acquisitions	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Working capital and generate corporate purposes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

If the [REDACTED] is set at the high-end of the [REDACTED] range or the low-end of the [REDACTED] range, the net [REDACTED] of the [REDACTED] will increase or decrease by approximately HK\$[REDACTED] and HK\$[REDACTED], respectively. To the extent our net [REDACTED] from the [REDACTED] are either more or less than expected, we will increase or decrease the intended use of our net [REDACTED] for the above purposes on a pro rata basis.

If the [REDACTED] is fully exercised, our Company will receive additional net [REDACTED] of approximately HK\$[REDACTED] for [REDACTED] Shares to be allotted and issued upon the full exercise of the [REDACTED] based on the [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the [REDACTED] range, and after deducting the [REDACTED] fees and commissions payable by our Company. The additional amount raised will be applied to the above areas of use of [REDACTED] on pro-rata basis.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would render the development of any of our projects not viable, or the occurrence of force majeure events, we will carefully evaluate the situation and may reallocate the net [REDACTED] from the [REDACTED].

To the extent that the net [REDACTED] are not immediately applied to the above purposes, we intend to deposit the net [REDACTED] into interest-bearing accounts with licensed commercial banks or financial institutions in the PRC or Hong Kong. We will comply with the PRC laws in respect of foreign exchange registration and [REDACTED] remittance.