

SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide whether 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]. Various expressions used in this summary are defined in the section headed "Definitions" and "Glossary of Technical Terms" in this document.

BUSINESS OVERVIEW

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

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

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

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



Our Services and Projects

Content Marketing

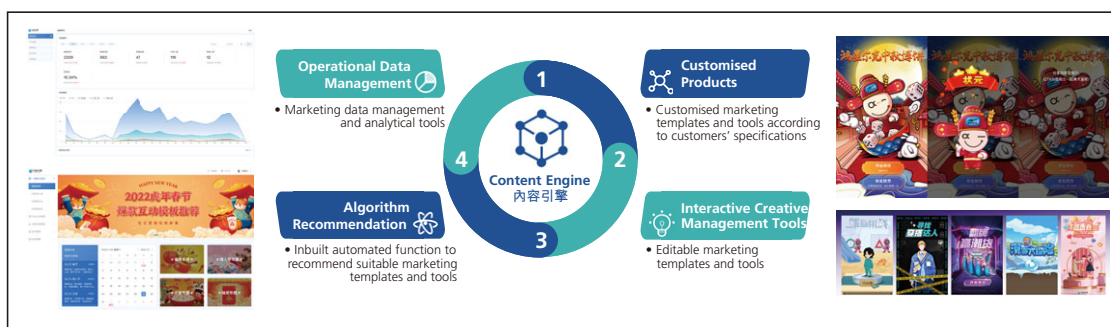
For our content marketing services, we offer sponsorship opportunities to our customers to integrate their brands into events and videos utilising our self owned or third party IP contents. Our content marketing projects include event content marketing projects and digital content marketing projects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

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

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SaaS Interactive Marketing

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



Digital Marketing, Public Relations Event Planning and Media Advertising

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

Our Customers

Our customers consist of reputable brand owners, with a majority from the fast moving consumer goods industry as well as the footwear and apparel industry in the PRC, which we have maintained good relationships. We have also established strong business relationships with and received wide market recognition from leading sports brand companies. According to Frost & Sullivan Report, six of the top ten sports brand companies in the PRC in terms of revenue in 2021 were our customers. During the Track Record Period, we were engaged by over 200 customers for our integrated marketing solutions services. During each period of the Track Record Period, we derived

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approximately 26.6%, 27.1%, 37.3% and 46.9% of our revenue from our five largest customers, respectively. For the same periods, we derived approximately 6.3%, 6.3%, 8.9% and 11.4% of our revenue from our largest customer, respectively.

Our Pricing Strategy

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

Our Suppliers

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

Seasonality

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

COMPETITIVE LANDSCAPE

According to the Frost & Sullivan Report, China's event content marketing services market was highly fragmented in 2021. The top five event content marketing services companies only take up approximately 5.2% of China's event content marketing services market. In 2021, our Group recorded a revenue of RMB136.2 million in event content marketing services, which accounted for approximately 0.5% of total revenue of event content marketing services market in China.

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COMPETITIVE STRENGTHS

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

- we have strong integrated capability of project planning, design, operation and execution, through which we support our customers to enhance the effectiveness of their marketing campaigns and brand value;
- we have excellent capability to integrate "online" and "offline" media channel resources, through which we are able to provide one-stop integrated marketing solutions services to our customers, thereby enhancing the publicity effect of marketing activities for our customers;
- we have a diverse customer base and stable cooperation with a large number of customers, with particular success in sports brand companies;
- we have strong capability to operate and commercialise IP contents through our integrated marketing solutions services;
- we are empowered by our SaaS interactive marketing platform, Content Engine, which provides integrated "Content + Technology" platform services with editable marketing templates and tools that can be tailored to different needs of our customers; and
- we have a visionary and experienced management team.

BUSINESS STRATEGIES

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

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

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RISK FACTORS

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

- our business may continue to be adversely affected by the COVID-19 pandemic or any occurrence of natural disasters;
- we rely on our customers from the fast moving consumer goods and footwear and apparel industries and any adverse development in these industries may impact us;
- our SaaS interactive marketing services have a short operating history, which makes it difficult to evaluate the prospects and future growth in our SaaS interactive marketing services;
- our gross profit margins have fluctuated during the Track Record Period and may continue to fluctuate in the future;
- our business depends on our ability to maintain our existing business with our customers and our ability to attract new customers and we generally do not enter into long term business contracts with our customers; and
- our Group operates in a competitive industry and if we fail to compete effectively, our business may be adversely affected.

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

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

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

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Cost of Revenue

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

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

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

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Non-HKFRS financial measures

As [REDACTED] expenses are non-recurring in nature and not related to the performance of our operation, our Directors consider that the presentation of our Group's adjusted net profit under non-HKFRS financial measures by eliminating the impact of [REDACTED] expenses can better reflect our operational performance during the Track Record Period. Furthermore, our management also uses the non-HKFRS financial measures to assess our operating performance and formulate business plans. We believe that the non-HKFRS financial measures provide useful information to the investors about our core business operations, which they can use to evaluate our operating results and understand our consolidated results of operations in the same manner as our management. The following table sets forth a reconciliation of our Group's adjusted net profit under non-HKFRS financial measures for the periods indicated to that prepared in accordance with HKFRS measures:

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

Having said the above, the presentation of the non-HKFRS financial measures is not intended to be considered in isolation or as substitute for the financial information prepared and presented in accordance with HKFRS. The non-HKFRS financial measures have limitations as analytical tools and our non-HKFRS financial measures may differ from the non-HKFRS financial measures used by other companies, and therefore the comparability of such information may be limited. We encourage investors to review our financial information in its entirety.

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Net Current Assets and Net Assets

The following table sets forth our current assets, current liability, net current assets and net assets as at the dates indicated.

| | As at 31 December | | | As at |
|---------------------|-------------------|----------------|----------------|-------------------------------|
| | 2019 | 2020 | 2021 | 30 April |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>2022</i> <i>RMB'000</i> |
| Current assets | 290,067 | 352,162 | 247,762 | 359,709 |
| Current liabilities | (56,795) | (89,958) | (192,212) | (224,105) |
| Net current assets | 233,272 | 262,204 | 55,550 | 135,604 |
| Net assets | 243,555 | 275,852 | 153,509 | 239,519 |

Our net current assets decreased by RMB206.6 million from RMB262.2 million as at 31 December 2020 to RMB55.6 million as at 31 December 2021. Such decrease was mainly due to (i) decrease of our short-term bank deposits from RMB130.0 million as at 31 December 2020 to nil as at 31 December 2021; and (ii) increase in amount due to related parties from nil as at 31 December 2020 to RMB130.3 million as at 31 December 2021, representing payment due to Xiamen Many Idea and Beijing Many Idea as a result of the Business Transfer. The payment in relation to the Business Transfer as mentioned above was settled in full as at 31 January 2022. Our net current assets increased by RMB80.0 million from RMB55.6 million as at 31 December 2021 to RMB135.6 million as at 30 April 2022, which was mainly attributable to an increase in current assets by RMB111.9 million and partially offset by an increase in current liabilities of RMB31.9 million. The increase in current assets was mainly due to (i) an increase in trade receivable of RMB59.4 million primarily as a result of the impact of COVID-19 on some of our customers’ business and operations which prolonged the time for their payments to us and our increase in revenue along with our growth in business in 4M2022; (ii) increase in amounts due from related parties of RMB26.6 million which represents the amount due from Xiamen Many Idea as a result of continued payments made by a number of our customers to Xiamen Many Idea for the integrated marketing solutions services we provided to them despite the Business Transfer having been completed on 1 December 2021, and such amounts due from related parties have been fully settled as at the Latest Practicable Date; and (iii) increase in cash and cash equivalents of approximately RMB36.5 million. On the other hand, the increase in current liabilities mainly represents (i) increase in borrowings of RMB78.5 million primarily as a result of the loans from the Third Party Loan Agreements, loan from one of our Shareholders, Asia One, and bank borrowings; (ii) increase of convertible bonds of RMB47.2 million which represents the liability portion and conversion option derivative of the issuance of [REDACTED] Loans in January 2022; and (iii) increase in trade payables of RMB39.7 million as a result of increase in our revenue, which is partially offset by a decrease in amounts due to related parties of RMB130.3 million as a result of settlement of the remaining consideration in relation to the Business Transfer. For further details, please refer to the section headed “Financial Information — Selected Balance Sheet Items” in this document.

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Cash Flow

The following table is a condensed summary of our consolidated statements of cash flows and analysis of balances of cash and cash equivalents for the periods indicated. For their analysis, please refer to the section headed "Financial Information — Liquidity and Capital Resources — Cash Flow" in this document.

| | For the year ended 31 December | | | For the four months ended 30 April | |
|--|--------------------------------|------------------|-----------------|------------------------------------|-----------------|
| | 2019 | 2020 | 2021 | 2021 | 2022 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | | | <i>(unaudited)</i> | |
| Operating profits before working capital changes | 107,360 | 52,684 | 96,335 | 16,366 | 38,635 |
| Changes in working capital | (38,234) | (42,660) | (46,014) | (135,111) | (52,808) |
| Tax paid | (9,983) | (16,996) | (2,315) | (23) | (22) |
| Net cash generated from/(used in) operating activities | 59,143 | (6,972) | 48,006 | (118,768) | (14,195) |
| Net cash generated from/(used in) investing activities | 47,559 | (104,713) | 5,884 | 131,365 | (8,558) |
| Net cash (used in)/generated from financing activities | (3,651) | 39,996 | (48,946) | 40,582 | 59,336 |
| Net increase/(decrease) in cash and cash equivalents | 103,051 | (71,689) | 4,944 | 53,179 | 36,583 |
| Cash and cash equivalents at beginning of year/period | 13,881 | 116,932 | 45,243 | 45,243 | 50,187 |
| Effect of foreign exchange rate changes on cash and cash equivalents | - | - | - | - | (133) |
| Cash and cash equivalents at end of year/period | 116,932 | 45,243 | 50,187 | 98,422 | 86,637 |

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

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

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

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

We expect to enforce and strengthen our credit control measures, such as improving our management of customers, taking advantage of the credit term offered by suppliers to reduce the amount of prepayment, and enhancing our collection efforts to reduce the amount of account receivables, in order to improve our cash flow position. For further details of our credit control measures, please refer to the section headed "Financial Information — Selected Balance Sheet Items — Intangible Assets — Trade receivables".

Key financial ratios

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

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

Notes:

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

OUR CONTROLLING SHAREHOLDERS

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

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OUR [REDACTED] INVESTORS

Since the establishment of our Group, we have entered into several rounds of financing agreements with the relevant [REDACTED] Investors. For further details, please refer to the section headed "History, Reorganisation and Corporate Structure — [REDACTED] Investment" in this document.

OUR MILESTONES

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

For further details and our milestones, please refer to the sections headed "History — Overview" and "History — Business Milestones" in this document.

[REDACTED] STATISTICS

| | | | | |
|---|---|--|---|---|
| Number of the [REDACTED] | : | [REDACTED] | | |
| [REDACTED] | : | Not more than HK\$[REDACTED] per [REDACTED] and is expected to be not less than HK\$[REDACTED] per [REDACTED] (excluding brokerage, SFC transaction levy, Hong Kong Stock Exchange trading fee and the FRC transaction levy) | | |
| | | | Based on an [REDACTED] of HK\$[REDACTED] HK\$ | Based on an [REDACTED] of HK\$[REDACTED] HK\$ |
| [REDACTED] (assuming that the [REDACTED] Loan is not converted into Shares) ⁽¹⁾ | | [REDACTED] | | [REDACTED] |
| [REDACTED] (assuming that the [REDACTED] Loan is converted into Shares) ⁽²⁾ | | [REDACTED] | | [REDACTED] |
| Unaudited pro forma consolidated net tangible assets per Share ⁽³⁾ | | [REDACTED] | | [REDACTED] |

Notes:

- (1) The calculation of [REDACTED] is based on [REDACTED] Shares expected to be in issue immediately upon completion of the [REDACTED] and the Capitalisation Issue (assuming that the [REDACTED] Loan is not converted into Shares and the [REDACTED] and the options which may be granted under the Share Option Scheme are not exercised at all).

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- (2) The calculation of [REDACTED] is based on [REDACTED] Shares expected to be in issue immediately upon completion of the [REDACTED] and the Capitalisation Issue (assuming that the [REDACTED] Loan is converted into Shares and the [REDACTED] and the options which may be granted under the Share Option Scheme are not exercised at all).
- (3) Please refer to Appendix II to this document for the bases and assumptions in calculating this figure.

[REDACTED] EXPENSES

Our Directors estimate that the total estimated [REDACTED] expenses (based on the midpoint of our indicative price range for the [REDACTED] and assuming that the [REDACTED] is not exercised, including [REDACTED] commissions and excluding any discretionary incentive fee which may be payable by us) in relation to the [REDACTED] are approximately RMB[REDACTED] million, accounting for approximately [REDACTED]% of the gross [REDACTED] to be received from the [REDACTED]. During the Track Record Period, we incurred actual [REDACTED] expenses of RMB17.1 million, of which RMB8.7 million and RMB5.4 million was charged to our consolidated statement of profit or loss for 2021 and 4M2022 respectively. We expect to incur further [REDACTED] expenses of approximately RMB[REDACTED], of which RMB[REDACTED] and RMB[REDACTED] will be charged to our consolidated statements of profit or loss and equity, respectively, upon successful [REDACTED] for the year ending 31 December 2022.

USE OF [REDACTED]

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

- approximately [REDACTED]%, or HK\$[REDACTED], for research and development and enhancing our SaaS interactive marketing platform;
- approximately [REDACTED]% or HK\$[REDACTED], for scaling up our IP contents portfolio and expanding our integrated marketing solutions businesses;
- approximately [REDACTED]%, or HK\$[REDACTED], for investment in expanding our geographical coverage and enlarging our customer base;
- approximately [REDACTED]%, or HK\$[REDACTED], for pursuing strategic cooperation, investments and acquisitions; and
- approximately [REDACTED]%, or HK\$[REDACTED], for working capital and general corporate use.

SUMMARY

Please refer to the section headed "Future Plans and Use of [REDACTED]" in this document for further details.

DIVIDENDS AND DIVIDEND POLICY

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

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

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

IMPACT OF COVID-19

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

To mitigate such negative impact, we have been mobilising internal resources to promote online marketing media channels in view of the various quarantine restrictions on marketing utilising offline events and channels. As a result, our revenue from digital content marketing projects increased by approximately 199.4% and revenue from digital marketing services increased by approximately 16.1% in 2020 compared to 2019, while our revenue from event content marketing projects decreased by approximately 42.8% for the same periods.

Despite several occasions of local restrictions due to COVID-19 which led to temporary delay of five event content marketing projects as at 31 December 2021, our business, especially content marketing and media advertising services, started to recuperate in 2021. Our revenue from content marketing services and media advertising

SUMMARY

services increased by approximately 5.7% and 131.6%, respectively, for 2021 compared to 2020. In particular, four out of five of the delayed projects had been successfully hosted in January 2022. However, since February 2022, there was a resurgence of COVID-19 pandemic in the PRC which had created uncertainties for our business operations. For further details, please refer to the sections headed "Business — Effects of the COVID-19 Outbreak", "Financial Information — Key Components of Our Consolidated Statements of Profit or Loss", "Financial Information — Review of Historical Results of Operations" and "Risk Factors — Risks Relating to Our Business and Our Industry — Our business may continue to be adversely affected by the COVID-19 pandemic" in this document.

RECENT DEVELOPMENT

Financial Performance

The recent emergence and increasing reported cases of the Delta and Omicron virus variants, the two COVID-19 virus variants which are significantly more infectious than its predecessors, have created uncertainties for our business operations under the COVID-19 pandemic. For example, employees in our Beijing office and Quanzhou office were required to work from home due to quarantine measures taken by the authorities. Our Beijing office was closed from beginning of May 2022 to end of May 2022 and our Quanzhou office was closed from around mid-March 2022 to mid-April 2022. As at the Latest Practicable Date, both of our offices had been reopened and operated in full scale. From 1 January 2022 to 30 June 2022, one of our event content marketing projects on teenage sports event in 2021 with a contract value of RMB7.5 million which was delayed to 2022 was further postponed as a result of local restrictive measures due to COVID-19. The project was planned to be held at Tangshan city, Hebei Province and is expected to be postponed to the second half of 2022. During the same period, we also had a public relations event planning project which was planned to be held at Quanzhou city, Fujian Province with a contract value of RMB980,000 which was delayed. It is expected that the project will be postponed to the second half of 2022. In addition, our customers for nine of our projects, which were in pitching and negotiation stage, decided not to proceed further to the signing of contracts and withhold those projects. As those projects were at pitching and negotiation stage, we did not incur substantial costs in relation to those projects.

Based on our unaudited management accounts for the six months ended 30 June 2022, our revenue for the six months ended 30 June 2022 increased when compared with the corresponding period in 2021 despite the above impact of COVID-19 pandemic on our business operation mainly because (i) four out of five of the delayed content marketing projects in 2021 had been successfully held in January 2022 and two event content marketing projects which started in 2021 were successfully held in January 2022 before the resurgence of new wave of COVID-19 in China in the first quarter of 2022 and (ii) successful launch of our Content Engine under SaaS interactive marketing services in June 2021. We expect the impact of the recent increased reported cases of COVID-19 in the PRC to be temporary and does not expect to experience a long-term material adverse impact on our business operations and financial performance.

SUMMARY

Business Transfer

As part of the Reorganisation, on 30 November 2021, Xiamen Many Idea and Beijing Many Idea (as transferors) and Xiamen Instant Interactive (as transferee) have entered into the Business Transfer Agreement to transfer the rights, debts, obligations, assets and liabilities attached to the integrated marketing solutions services businesses (including content marketing, SaaS interactive marketing, digital marketing, public relations event planning and media advertising) carried on by Xiamen Many Idea and Beijing Many Idea, for a consideration of RMB370 million. The Business Transfer was completed on 1 December 2021.

In order for the Group to settle the consideration in connection with the Business Transfer, the Group has arranged bridging loans with two Independent Third Parties in January 2022 amounted to RMB101.3 million. The terms of such loans were for duration of 6 months, with interest rate being (i) zero for the first three months; and (ii) 2% per month for the remaining three months. The whole sum of the loans were unsecured in nature and had been fully drawn down as at 31 January 2022. As at the Latest Practicable Date, the loans had been fully repaid. For details of the Business Transfer, please refer to section headed "History, Reorganisation and Corporate Structure — 4.2. Reorganisation for the [REDACTED] — b. Business Transfer in December 2021" in this document.

No Material Adverse Change

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