

## RISK FACTORS

*Potential investors should consider carefully all the information set out in this document and, in particular, should consider and evaluate the following risks and uncertainties associated with an investment in our Company before making any investment decision relating to our Shares. Our Group's business, financial condition and results of operations could be materially and adversely affected by, and the trading prices of our Shares could decline due to, any of these risks or any uncertainty that our Group is unaware of, and you may lose all or part of your investment.*

### RISKS RELATING TO OUR BUSINESS AND OUR INDUSTRY

#### **Our business may continue to be adversely affected by the COVID-19 pandemic or any occurrence of natural disasters**

The COVID-19 pandemic has caused and may continue to cause a long-term adverse impact on the economy and social conditions in China and other affected countries, which may have an indirect impact on the PRC marketing industry and adversely affect our business operations. In response to the COVID-19 pandemic, the PRC government has imposed measures across the PRC including, but not limited to, shut down of business operations for certain periods of time, social distancing, travel restrictions and quarantine for travellers or returnees, whether infected or not, to an extended shutdown of certain business operations.

To varying degrees, our business operations had been affected by the COVID-19 pandemic. Due to the nationwide lockdowns across China during the COVID-19 pandemic, certain of our projects had been temporarily delayed or cancelled, especially content marketing and public relations event planning projects. For 2020 and 2021, three and five of our content marketing had been delayed, respectively, and 15 and four of our content marketing and public relations event planning projects had been cancelled, respectively, and these projects primarily utilise offline events. For 4M2022, we had one event content marketing project and one public relations event planning project being delayed. Our revenue also decreased by approximately 21.1% from RMB391.0 million in 2019 to RMB308.4 million in 2020. An outbreak of any other epidemics in the PRC may further deter public gatherings and reduce the demand for marketing and entertainment-related events, shows, exhibitions, etc. We are uncertain as to whether there will be any further waves of COVID-19 outbreaks in China nor when the COVID-19 pandemic will be contained in China and globally, and we may not be able to accurately predict whether the COVID-19 pandemic will have further impact on our business operations. 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" and "Financial Information — Review of Historical Results of Operations" in this document for further details.

Further, natural disasters, epidemics and other acts of God which are beyond our control may also adversely affect our business, which could interrupt our operations or the services or operations of our suppliers and customers. If we are not able to effectively and efficiently operate our business and implement our strategies as planned, we may not be able to grow our business and generate revenue as anticipated, and our business operations, financial condition and prospects may be materially and adversely affected.

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### **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**

For 2019, 2020, 2021 and 4M2022, approximately 71.3%, 69.2%, 81.1% and 77.6% of our revenue were, in aggregate, generated from customers from the fast moving consumer goods and footwear and apparel industries. The general prosperity and development of the overall fast moving consumer goods and footwear and apparel industries may fluctuate significantly from time to time. The growth and development of these industries may not sustain in future periods, and is subject to various factors beyond our control, and cannot be predicted with certainty. Given that we generate a majority amount of our revenue from customers in these two industries, any changes to the industry development, negative publicity, unfavorable policy or downturn in these industries in the PRC may materially and adversely affect our business, prospects, financial condition and/or results of operations.

### **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**

Although we began to prepare for the expansion into the SaaS interactive marketing services in 2018, we only formally launched our SaaS interactive marketing service platform, Content Engine, as a business offering complementary to our integrated marketing solutions services in June 2021 and thus it has a short operating history. For 2021 and 4M2022, revenue generated from our SaaS interactive marketing services was RMB10.6 million and RMB9.0 million, respectively, and gross profit generated from our SaaS interactive marketing services was RMB4.0 million and RMB3.8 million, respectively. Further, to facilitate the expansion of our SaaS interactive marketing business, we intend to allocate [REDACTED]% of our [REDACTED] from the [REDACTED] for research and development and enhancement of our SaaS interactive marketing platform.

Despite our efforts in researching and developing technology-driven SaaS products, we cannot assure you that our existing and future SaaS products will achieve the anticipated level of demand and we may incur loss if our revenue from SaaS interactive marketing services is unable to offset our expenses on the development of such services. Further, customers may not choose or continue to use our SaaS products if our SaaS products are unable to assist our customers in achieving their marketing objectives or if our competitors offer superior and more customer-friendly products and services. If any of the above occur, it may materially and adversely affect our results of operations, financial condition and prospects.

### **Our gross profit margins have fluctuated during the Track Record Period and may continue to fluctuate in the future**

We have experienced fluctuations in gross profit margin during the Track Record Period. For example, our gross profit margin amounted to approximately 33.1%, 24.2%, 32.4% and 32.1%, respectively, during each period of the Track Record Period. The decrease in our gross profit margin in 2020 was primarily as a result of the impact of various restrictions due to COVID-19 which led to postponement or cancellation of various of our projects utilising primarily offline events or channels for promotion while we had incurred cost for the corresponding projects. Please refer to the section headed "Financial Information — Key Components of Our Consolidated Statements of Profit or Loss" in this document for further details.

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There can be no assurance that our gross profit margin will not be lower than the levels recorded during the Track Record Period or our gross profit margin will not continue to further fluctuate in the future. Our gross profit margin may decline by a material extent for reasons beyond our control, such as decreasing marketing spending by customers, increasing competition, implementation of further restrictions due to COVID-19 and changes in government policies or general economic conditions. Accordingly, we cannot guarantee that our gross profit margin will not fluctuate from time to time. If there is any decline in our gross profit margin in the future, our profitability and financial condition may be materially and adversely affected.

**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**

Our ability to continue to grow our revenue and profit from our integrated marketing solutions services will depend in large part on our ability to expand our business with our current customers and to attract new customers. We rely on our reputation in the industry to attract brand owners to engage us for integrated marketing solutions services. We cannot guarantee that our integrated marketing solutions services will remain attractive nor can we guarantee that we would be able to continue to attract new customers for our business. If we are unable to maintain our business with existing customers or attract new customers, then our sales will decrease and our operating results will be materially and adversely affected.

Our SaaS interactive marketing services plans are offered to customers on an annual subscription basis. For our customised SaaS products and other integrated marketing solutions services, our contracts with our customers are typically on an individual project basis and we generally do not enter into long term business contracts with our customers. Accordingly, we may have limited visibility as to our future revenue stream and there is no assurance that we will be able to maintain or increase the volume of business with existing or potential customers, which may in turn affect our results of operations and financial condition.

**Our Group operates in a competitive industry and if we fail to compete effectively, our business may be adversely affected**

According to Frost & Sullivan, the marketing service industry is a highly competitive and fragmented industry in China with over one million marketing services companies and the top five marketing services companies only accounted for approximately 16.9% of the total marketing services market in China in 2021. Marketing services providers of different levels, ranging from large-sized marketing services groups to a large number of small-to-medium-sized companies, participate in the industry competition. Many of these participants have longer operating history, stronger financial resources, and larger operation staff than us. In addition, there are new entrants to the market.

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Our Company faces fierce competition from existing marketing and advertising companies or new entrants. In order to stay competitive in this industry, market participants have to ensure that their services are consistently of a high quality while maintaining competitive prices in order to successfully undercut competition to secure contracts. There is no assurance that our Group's business will remain competitive in the industry. Failure to maintain or enhance our competitiveness in the industry may lead to lower profit margins and loss of market share, which may in turn adversely affect our profitability and results of operations.

### **If we fail to successfully obtain marketing rights to projects with IP contents or acquire IP contents suiting our customers' and their end-customers' preferences or to successfully commercialise these IP contents, we may lose our customers**

In content marketing services, we cater to our customers' marketing needs by integrating their advertisements into the various events and videos (e.g. fashion week, marathons, music festivals, family activities events, and campus events) which utilise IP contents that are either owned by us or by third parties. We believe the uniqueness and novelty of these IP contents and our ability to commercialise these IP contents and to integrate our customers' advertisements into the events and videos had contributed to our success in attracting our customers to engage us to promote their brands.

However, we cannot guarantee that we will continue to be able to obtain marketing rights to events and videos with IP contents or acquire IP contents suiting our customers' and the end-customers' preferences or that we will be able to successfully commercialise those IP contents. If we fail to do so, our customers may decide to engage other marketing service providers and our Group's business, operations and financial condition will be materially and adversely affected.

### **Our business is dependent on the success of our customers' businesses**

Our business depends on the brand recognition of our customers' brands, which is beyond our control. We cannot guarantee that negative reports about our customers' brands will not occur in the future which may cause serious damage to our customers' brands, public image, reputation and business. If our customers are unable to maintain or enhance their brand image, or if our customers' brand image is damaged by negative publicity or if our customers' brands are not accepted by their target end-customers, this could have a material adverse effect on our customers' business, financial condition and results of operations, which may lead to a decline in marketing budgets of our customers and in turn result in decrease in spending on the integrated marketing solutions services that we provide to them. Any of the foregoing events could adversely affect our business and operating results.

### **We are subject to credit risk of our customers**

We are subject to credit risk of our customers, and our profitability and cash flow are dependent on the ratio of outstanding receivables to cash received in a period. Our credit terms with our customers are generally around 180 days, and we are exposed to credit risk from our customers. If there is any delay in payment by our customers, our profitability, working capital and cash flow may be adversely affected.

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As at 31 December 2019, 2020 and 2021 and 30 April 2022, our trade receivables less provision for impairment loss recognised amounted to RMB139.6 million, RMB156.1 million, RMB147.5 million and RMB206.9 million, respectively. During each period of the Track Record Period, our trade receivables average turnover days were approximately 123.7 days, 191.9 days, 178.2 days and 169.4 days, respectively. The significantly longer trade receivables average turnover days in 2020 and 2021 compared to 2019 was primarily due to the delay in payment by our customers as a result of the impact of COVID-19 on their business operations. As at the Latest Practicable Date, RMB79.9 million or approximately 33.7% of our trade receivables as at 30 April 2022 had been subsequently recovered. For further details of the impact of COVID-19 on our trade receivables, please refer to the section headed "Financial Information — Selected Balance Sheet Items — Trade Receivables" in this document.

There is no assurance that we will be able to fully recover our trade receivables from our customers or that they will settle our trade receivables in a timely manner. In the event the settlements from our customers are not made on a timely manner or at all, the financial position, profitability and cash flow of our Group may be materially and adversely affected.

**We recorded negative operating cash flow for 2020 and 4M2022 and we cannot assure you that we will be able to generate positive cash flow from operating activities in the future**

Our net cash used in operating activities was RMB7.0 million for 2020 primarily due to (i) 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 larger provision on trade receivables; (ii) increase in trade receivables of RMB28.0 million as a result of slower collection of trade receivables caused by the impact of COVID-19; and (iii) 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. We also recorded net cash used in operating activities of RMB14.2 million for 4M2022 primarily due to increase in trade receivables of RMB95.7 million mainly 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. For further information, please refer to the section headed "Financial Information — Liquidity and Capital Resources — Cash Flow" in this document.

We cannot assure you that we will be able to generate positive cash flow from operating activities in the future. If we record net operating cash outflow in the future, our working capital may be constrained which may adversely affect our financial condition. Our future liquidity, payment of trade payables, and bank and other borrowings primarily depend on our ability to maintain adequate cash inflow from our operating activities and adequate external financing. If we are unable to maintain our sources of funding in a timely manner and on reasonable terms, or at all, we may face liquidity issues and our business, financial condition and results of operations may be materially and adversely affected.

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### **Our intangible assets at amortised cost may become impaired**

As at 31 December 2019, 2020 and 2021 and 30 April 2022, we had intangible assets of RMB0.4 million, RMB0.3 million, RMB87.6 million and RMB92.1 million, respectively, which primarily consisted of computer software and copyright licences of IPs purchased by our Group for the provision of SaaS interactive marketing services. After initial recognition, we determine whether intangible assets are impaired on an annual basis or more frequently if events or changes in circumstance indicate that the carrying amount of these assets exceeds its recoverable amount. As a result, our evaluations in the future on intangible assets at amortised cost may result in material impairment charges that would have a material impact on our financial condition and results of operations.

### **We engage third party suppliers or service providers to provide various products and services. Their failure to provide us with timely and high quality products or services may materially and adversely affect our business operations**

In the provision of integrated marketing solutions services to our customers, we are generally responsible for any supply we procure or services which we subcontract out to a third party service provider. For example, when we are engaged by our customers to plan and host an event, we may procure props and material and equipment from third party suppliers or subcontract various components to third party service providers such as general venue set up services. Timely supply of the products and provision of services are important to the success of the event.

If there is material delay or disruption to the supply or provision of products or services or if the quality of the products or services provided are not up to our required standards, we may not be able to completely fulfil the scope of work or to the required standard as agreed under the contracts with our customers. This could have a negative impact on our brand and reputation, and consequently on our business operations. Further, if any service provider failed to obtain or maintain any requisite approvals, permits, registrations or filings for the services provided, it could also have a negative impact on our reputation, and consequently on our business operations.

### **Any significant increase in costs of materials or services, in particular media advertising resources costs, required in the provision of our integrated marketing solutions services or our inability to pass the increased costs onto our customers may adversely affect our profitability**

Our cost of revenue primarily consists of media advertising resources costs, production costs, equipment rental costs, staff costs, SaaS costs and other costs, among which, media advertising resources costs contributed to a significant portion of our total cost of revenue and accounted for approximately 45.4%, 51.1%, 52.0% and 52.5% of our total revenue during each period of the Track Record Period, respectively. Our media advertising resources costs primarily consist of marketing rights from IP contents providers, cost of obtaining advertising resources from advertising media channels or their agents and other media technical and execution costs.

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We cannot assure you that we can anticipate future trends that may significantly increase our media advertising resources costs in order to match with the trend and remain competitive in the market. Changes in end-user behaviour/preference and industry changes resulting from technological developments may adversely affect us. For example, the number of people accessing the internet through mobile devices, including mobile phones, tablets and other hand-held devices, has increased in recent years, and we expect this trend to continue with 4G, 5G and more advanced mobile communications technologies being or become broadly implemented. Such changes may result in higher costs for obtaining advertising resources from advertising media channels and other media advertising companies in order to acquire resources that are compatible with the new technologies. In addition, the widespread adoption of new internet, networking or telecommunications technologies or other technological changes could require substantial expenditures to modify or integrate our marketing services to keep up with the trend and remain competitive.

If there is an increase in costs of materials or services, in particular media advertising resources costs, required in the provision of our integrated marketing solutions services and we are not able to pass the increased costs onto our customers, our profitability and hence financial performance will be adversely affected.

### **Challenges to our right to collect and use data collected from third parties could significantly diminish the value of our services and cause us to lose our customers, and harm our business and results of operations**

We currently depend on media channels and cloud server provider to provide us with certain advertising data which include data in relation to operational data (such as characteristics of audience, number of clicks and other exposure statistics of the advertisements) for us to provide data analysis and advertising performance evaluation services to our customers. Media channels and cloud server provider may refuse to share or provide to us their data. Operating systems or certain user-end apps may also pose technical restrictions on media channels and cloud server provider's ability to legally collect device specific data. Interruptions, failures or defects in their data collection systems, as well as privacy concerns regarding the collection of device specific data, could also limit our ability to analyse such device specific data.

In addition, there is no assurance that the government will not adopt legislation that prohibits or limits collection of device specific data on the internet and the use of such data, or that third parties will not bring lawsuits against the media channels and cloud server provider relating to internet privacy and data collection, which would in turn affect our usage of data. Due to the recent development of laws and regulations on data protection and privacy, certain companies may be subject to more stringent requirements on data sharing with third party, which may limit our ability to collect data from them.

If any of the above happens, we may be unable to effectively provide our services and lose our customers, and our business, financial condition and results of operations would be adversely affected. Lawsuits or administrative inquiries could also be costly and divert management resources, and the outcome of such lawsuits or enquiries may be uncertain and may harm our business.

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### **If our suppliers transact with our customers directly, we may be exposed to the risk of disintermediation**

As an integrated marketing solutions provider, we help our customers promote their brand and products, in which we utilise our suppliers' resources, such as online and traditional advertising channels, for our marketing solution services. If any of our suppliers have taken measures to acquire or establish its own content creation team which enables it to transact directly with our customers, there may be a risk that our suppliers would directly transact with our customers circumventing our services. In addition, if our customer has been acquired by our suppliers, the customer may place advertisement on the online media channel and traditional media channels directly. In the event that our suppliers acquire our customers or our suppliers establish their own content creation function in future similar to those currently offered by us, our customers may also transact with our suppliers 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 rely on services from third-party IT service providers to conduct our SaaS interactive marketing service and any interruptions or delays in such services due to third parties may impair our customers' experience**

We rely on third party cloud server provider in the provision of our SaaS interactive marketing service. In addition, we also procured other IT services from third party service providers such as software development services, H5 production services and data intelligence solution services. If we need to switch our cloud server provider due to any reasons, it may be costly and time-consuming to migrate from one cloud server provider to another. If we lose temporarily access to such cloud servers during the transition period, our operations of our SaaS interactive marketing service would be materially and adversely affected.

Further, as our Content Engine platform relies on third party cloud servers, if the third party cloud servers are subject to system disruptions and distributed denial of service (DDoS) attacks, a technique used by hackers to take an internet service offline by overloading its servers, we cannot assure you that any applicable recovery system, security protocol, network protection mechanisms or other defence procedures of the third party cloud server provider are, or will be, adequate to prevent such network or service interruptions, system failures or data losses. Additionally, their infrastructure and systems may also be breached if any vulnerabilities therein are exploited by unauthorised third parties. A DDoS attack, other hacking and phishing attack or security breach could delay or interrupt our services to our customers. Any actual or perceived attacks or security breaches may also damage our reputation and brand, expose us to risks of potential litigation and liabilities. Further, our customers may lose confidence in the security of our products as a whole, which would have a material adverse impact on our ability to retain existing customers and attract new ones.



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**We are subject to complex and evolving laws, regulations and governmental policies regarding data protection. Actual or alleged failure to comply with data protection laws, regulations and governmental policies could damage our reputation, deter current and potential customers from using our products and services and could subject us to significant legal, financial and operational consequences**

In recent years, data protection has become an increasing regulatory focus of government authorities across the world. The PRC Government has enacted a series of laws, regulations and governmental policies for the protection of data security in the past few years. Such regulatory requirements on data privacy are constantly evolving and can be subject to varying interpretations, or significant changes, resulting in uncertainties about the scope of our responsibilities in that regard. For example, on 10 June 2021, the NPCSC promulgated the PRC Data Security Law (《中華人民共和國數據安全法》) (the "**Data Security Law**"), which took effect in September 2021. The Data Security Law provides for a security review procedure for the data activities that may affect national security.

On 14 November 2021, the Cyberspace Administration of China publicly solicited opinions on the Regulations on the Administration of Cyber Data Security (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》) (the "**Draft Data Security Regulations**"). According to the Draft Data Security Regulations, data processors shall, in accordance with relevant state provisions, apply for cybersecurity review when carrying out the following activities: (1) the merger, reorganization or separation of internet platform operators that have acquired a large number of data resources related to national security, economic development or public interests, which affects or may affect national security; (2) data processors intend to [REDACTED] abroad that handle personal data of more than one million people; (3) data processors intend to [REDACTED] in Hong Kong, which affects or may affect national security; and (4) other data processing activities that affect or may affect national security.

However, the Draft Data Security Regulations provide no further explanation or interpretation for the meaning of "affects or may affect national security". In addition, the Draft Data Security Regulations also regulate other specific requirements in respect of the data processing activities conducted by data processors through internet in view of personal data protection, important data safety, data cross-broader safety management and obligations of Internet platform operators. For example, the processors of important data or data processors who are [REDACTED] overseas shall carry out data security assessments by themselves or by entrusting data security service agencies every year, and submit the previous year's data security assessment report to the cyberspace administration at the county-level city before 31 January of each year.

As at the Latest Practicable Date, the Draft Data Security Regulations had not come into effect and the public comment period of the Draft Data Security Regulations had ended on 13 December 2021. We cannot predict the impact of the Draft Data Security Regulations, if any, at this stage, and we will closely monitor and assess any development in the rule-making process. It remains uncertain whether the Draft Data Security Regulations will be applicable to our business or whether the future regulatory changes would impose additional restrictions on companies like us.

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If the enacted version of the Draft Data Security Regulations mandate clearance of cybersecurity review and other specific actions to be completed by companies like us, we may face uncertainties as to whether such clearance can be timely obtained, or at all. Failure to comply with the cybersecurity and data privacy requirements in a timely manner, or at all, may subject us to government enforcement actions and investigations, fines, penalties, suspension of our non-compliant operations, among other sanctions.

On 28 December 2021, thirteen government departments including the Cyberspace Administration of China jointly promulgated the Cybersecurity Review Measures (《網絡安全審查辦法》) (the "2022 Review Measures"). The 2022 Review Measures became effective on 15 February 2022, and the Cybersecurity Review Measures promulgated on 13 April 2020 was repealed simultaneously. Under the 2022 Review Measures, (i) critical information infrastructure operators are required to conduct a pre-assessment and determination as to whether the network products and services to be procured have or may have potential national security bearing and have affected or may have affected national security, and must apply for cybersecurity review with the Cybersecurity Review Office; (ii) online platform operators controlling personal information of more than one million users, which are [REDACTED] in a foreign country, must apply for cybersecurity review with the Cybersecurity Review Office; and (iii) the Cybersecurity Review Office will conduct cybersecurity review on critical information infrastructure operators and network platform operators in accordance with the laws if it considers necessary.

On 7 January 2022, our PRC Legal Adviser made enquiries with the Cyberspace Administration of China by phone on whether the Company would be required to file a cybersecurity review under the 2022 Review Measures for its [REDACTED] in Hong Kong as it is unclear whether the aforementioned cybersecurity review requirement for "[REDACTED] in a foreign country" applies to the Company's [REDACTED] in Hong Kong. The Cyberspace Administration of China replied that Hong Kong does not fall within the scope of a "foreign country" and thus the Company's [REDACTED] is not required to file a cybersecurity review under the 2022 Review Measures. However, since the Cybersecurity Review Measures was promulgated recently, there is uncertainty about the interpretation and implementation of the measures. Failure to complete the cybersecurity review may result in fines or other penalties (such as required rectification, cessation of relevant business) and reputational damage, or legal proceedings or actions against us, which may adversely affect our business, financial condition and results of operations.

The laws and regulations regarding data protection in China are generally complex and evolving, with uncertainty as to the interpretation and application thereof. As such, we cannot assure you that our data protection measures are, and will be, always considered sufficient under applicable laws and regulations. Additionally, the integrity of our data protection measures is also subject to system failure, interruption, inadequacy, security breaches or cyber-attacks. If we are unable to comply with the then applicable laws and regulations, or to address any data protection concerns, such actual or alleged failure could damage our reputation, deter existing and potential customers from using our services and products and could subject us to significant legal, financial and operational consequences.

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### **We rely on our exclusive cooperation arrangement with NetEase for our digital marketing service**

For digital marketing, the primary costs is the costs of obtaining advertising resources from advertising channels. To secure advertising resources, we entered into exclusive cooperation agreements with NetEase (網易) whereby we pay an agency fee periodically in exchange for the exclusive rights to sell advertising resources in certain cities in the PRC, such as Xiamen city and Zhangzhou city, to our customers.

During each period of the Track Record Period, approximately 45.7%, 48.8%, 50.1% and 61.2% of our revenue from digital marketing service was from digital marketing projects utilising NetEase (網易) channel under exclusive cooperation arrangement.

As our exclusive cooperation agreement with NetEase (網易) is generally signed on an annual basis, there is no guarantee that we will be able to renew the agreement with NetEase (網易) on similar terms or at all. If we are unable to renew our agreement with NetEase (網易) on similar terms or terms acceptable to us, our revenue and gross profit margin from digital marketing service may be materially and adversely affected.

### **We utilise SaaS agents to market and sell our SaaS interactive marketing services. If we are unable to develop and maintain successful relationships with our SaaS agents, our SaaS interactive marketing services may not grow at the rate expected or at all and our business, operating results, and financial condition could be adversely affected**

As at 30 April 2022, our Content Engine platform had over 2,500 user accounts. Revenue generated from our SaaS interactive marketing services through our SaaS agents accounted for approximately 3.0% of our total revenue from our SaaS interactive marketing services segment for 4M2022 and approximately 0.2% of total revenue for 4M2022. Although the revenue contributable to our SaaS agents was not significant during the Track Record Period, we believe it is important to identify, develop, and maintain stable relationships with our SaaS agents in order to drive our revenue growth.

While we intend to continue dedicating resources to identifying, developing and maintaining stable relationships with our SaaS agents, we cannot assure you that our existing or prospective SaaS agents will strictly comply with the terms of our agreements with them. They may also cease marketing and selling our SaaS interactive marketing services with limited or no notice. If we fail to maintain stable relationship with existing SaaS agents or identify additional SaaS agents in a timely and cost-effective manner, or at all, our business, results of operations, and financial condition could be materially and adversely affected.

If our SaaS agents do not effectively market and sell our SaaS interactive marketing services, or fail to meet the needs of our users of our Content Engine, our reputation among prospective and existing customers and users of our Content Engine and ability to grow our SaaS interactive marketing services business may also be materially and adversely affected.

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### **Our Group's business are affected by seasonality and our financial performance for part of a year may not be indicative of our full year's performance**

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 may focus their promotion and marketing on sale campaigns associated with these holidays. As such, financial information of our Group for part of a financial year may not be indicative of our Group's performance for the entire financial year. Please refer to the section headed "Business — Seasonality" in this document for further information.

### **Our business is exposed to the risk of infringement by third parties of the IP rights utilised in our projects**

For our content marketing business service, we provide marketing services through projects utilising unique IP contents. Any infringement or passing off by third parties of such IP rights may adversely affect our Group's business and financial condition and results of operations.

Additionally, we may rely on a combination of copyright, trademark and trade secret laws and restrictions on disclosure to protect our IP rights. Despite our efforts to protect our proprietary rights, third parties may attempt to copy or otherwise obtain or use our IP contents. Monitoring unauthorised use of IP contents is difficult and costly, and the steps we have taken may be inadequate to prevent the infringement or misappropriation of our IP rights. We may have to resort to litigation to enforce our IP rights, which could result in substantial costs and diversion of our resources, and thus may materially and adversely affect our business. We provide no assurance that we will prevail in such litigation, and even if we do prevail, we may not obtain a meaningful recovery.

### **We may be subject to IP infringement claims or other allegations by third parties, which may materially and adversely affect our business and results of operations**

We cannot be certain that our operations do not or will not infringe upon or otherwise violate IP rights or other rights held by third parties. We may in the future be subject to legal proceedings and claims from time to time relating to the IP rights or other rights of third parties.

Additionally, there may be third party IP rights or other rights that are infringed by our products, 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.

The application and interpretation of the PRC's IP laws, the procedures and standards for granting trademarks, copyrights, know-how or other IP rights in the PRC, and the laws governing personal rights are still evolving and remain uncertain, and we cannot assure you that PRC courts or regulatory authorities would rule in favour of us in the event of dispute.

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If we were found to have violated the IP rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such IP or relevant contents, and we may incur licensing or usage fees or be forced to develop alternatives of our own. As a result, our reputation may be harmed and our business and financial performance may be materially and adversely affected.

**Any termination of, or changes to, the preferential tax treatments that we have enjoyed or intend to apply could adversely affect our profitability**

We enjoyed certain preferential tax treatments in relation to our operations during the Track Record Period. Please refer to the section headed "Financial Information — Key Components of Our Consolidated Statements of Profit or Loss — Income Tax Expense" in this document for more information. During each period of the Track Record Period, the effect of tax concession granted to our PRC subsidiaries amounted to RMB6.7 million, RMB4.2 million, RMB5.4 million and RMB1.9 million, respectively. Our weighted average applicable tax rate was 18.8%, 14.0%, 18.4% and 20.1% for each period during the Track Record Period.

We intend to continue to apply for preferential tax treatments to the extent available. However, there is no guarantee that we can continue to enjoy the preferential tax treatments which we had previously enjoyed during the Track Record Period, that no further change will be made to the PRC tax policies or that the preferential enterprise income tax rates that we currently enjoy will not otherwise be challenged, altered or discontinued. Any change, suspension or termination of these preferential tax treatments could materially and adversely affect our financial condition, results of operations and cash flows.

**The discontinuation of any government grants currently available to us could adversely affect our results of operations, cash flow and prospects.**

During the Track Record Period, we have benefited from government grants and subsidies. During each period of the Track Record Period, we recorded under other revenue RMB4.9 million, RMB3.3 million, RMB3.1 million and RMB2,000 of government grants, respectively. For more details on government grants and subsidies recognized in our profit or loss, please refer to the section headed "Financial Information — Key Components of Our Consolidated Statements of Profit or Loss Items — Other Revenue" in this document.

Our eligibility to receive these government grants and subsidies requires that we continue to qualify for them. The government grants and subsidies are provided to us at the discretion of the central government or relevant local government authorities, which could determine at any time to eliminate or reduce these government grants and subsidies, generally with prospective effect. Since our receipt of the government grants and subsidies is subject to periodic time lags and changing government practice, as long as we continue to receive these government grants and subsidies, our net income in a particular period may be higher or lower relative to other periods depending on the potential changes in these government grants and subsidies in addition to any business or operational factors that we may otherwise experience. The discontinuation of government grants and subsidies currently available to us could have a material adverse effect on our financial condition, results of operations, cash flows and prospects.

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**We rely on the extensive experience of our executive Directors and senior management in the retail, media and/or marketing industries. We also rely on our ability to attract and retain qualified design, marketing, information technology and project management personnel. If we lose their services, our business may be adversely affected**

Our success is, to a large extent, attributable to the vision and leadership of our executive Directors and the continued commitment of the members of our senior management. We believe that the extensive experience of our management team, their industry knowledge, in-depth understanding of the market and well-established relationships with our customers, suppliers and business associates, enable us to assess the market trends and requirements of our customers, as well as to evaluate and manage our customers efficiently. There can be no assurance that our Group will be able to retain their services and to continually leverage their leadership skills. If we are unable to retain their services or replace with suitable personnel on a timely and commercially viable basis, it may result in the loss of strategic leadership and disruption or delay to our business operations, which could have a material adverse effect on our Group's business, operations and financial condition.

In addition, our continued success will also depend on our ability to attract and retain qualified design, marketing, information technology, and project management personnel to manage our existing operations and future growth. We may not be able to successfully attract or retain the personnel that we may require. In addition, we may need to offer superior compensation and other benefits in order to attract and retain talented personnel in the future, and we therefore cannot assure you that we will have the resources to fully achieve our staffing needs. Our failure to attract and retain talented personnel could have a negative impact on our ability to maintain our competitive position and to grow our business.

**Our business strategies and future plans may not materialise and may expose our Group to business and financial risks**

Our business strategies and future plans as set out in the sections headed "Business — Our Strategies" and "Future Plans and Use of [REDACTED]" represent the targets, objectives, and future plans of our Group. Such targets, objectives, and future plans are by their nature subject to uncertainties and risks and our Group's actual course of business may vary from our business strategies and future plans as set out in this document, depending on whether all the assumptions will hold true in the future and whether new circumstances which did not exist when the business strategies and future plans were determined by our Directors will arise in the future. As such, there can be no guarantee that the future plans of our Group will materialise or that our business strategies will be successfully implemented. Further, we cannot give assurance that our resources will be adequate to support our future growth. Failure to execute our expansion plans and strategies effectively may lead to increased costs and reduced profitability, which could in turn have a material adverse effect on our business, financial condition and results of operations.

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### **We experienced fluctuation in our financial performance and our historical results may not be indicative of our future financial performance**

During each period of the Track Record Period, our revenue amounted to RMB391.0 million, RMB308.4 million, RMB353.3 million and RMB143.8 million, respectively and our profit for the year/period amounted to RMB80.0 million, RMB31.8 million, RMB64.7 million and RMB15.3 million, respectively. Our historical financial performance may not be an accurate reflection of our future financial performance. Our historical operations largely depend on our ability to retain existing customers and attract new customers and take advantage of any growth in the relevant markets. Further, our historical performance was also affected by the COVID-19 pandemic during the Track Record Period. Please refer to the paragraph headed "— Our business may continue to be adversely affected by the COVID-19 pandemic or any occurrence of natural disasters" in this section of this document for further information.

Therefore, period-to-period comparisons of our operating results during the Track Record Period may not be indicative of our future performance and you should not rely on them to predict the future performance of our operating results or the price of our Shares. There is no guarantee that our Group can continue to achieve the same or higher level of financial performance as we did during the Track Record Period in the future.

### **Our insurance coverage may not be sufficient to cover all risks involved in our business operations**

Our operations are subject to risks typically associated with the provision of integrated marketing solutions services. Please refer to the section headed "Business — Insurance" for details relating to our insurance coverage.

There is no assurance that our current insurance coverage will be able to cover all types of risks involved in our business operations, or be sufficient to cover the full extent of loss or liability for which we may be held liable. Any event that is not insured and any loss or liability that exceeds the limit or is excluded from the scope of our existing insurance policies may materially and adversely affect our business, results of operations and financial condition.

### **Our business and industry are subject to global economic and market conditions**

Our industry and our business are substantially affected by the global economic and market conditions. The economy has a direct impact on the way businesses allocate their marketing and advertising resources. During tough economic times, companies often cut marketing and advertising costs because these are discretionary costs.

The demand for integrated marketing solutions is dependent on our customers' engagement levels in the promotion of marketing and advertising services. For example, if the industries which our customers are from suffer a downturn or be affected by fluctuations in the macroeconomic conditions, the branding and marketing budgets of brand owners in such industries who conduct their business with us may be adversely affected. Our sales in integrated marketing solutions services would also be adversely

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affected if our customers are less willing to host events, shows, exhibitions, etc., as a result of tightened marketing budgets due to economic downturn. This would have an impact on our business and financial performance.

### **We may not be able to continue to use certain properties that are currently used by us or may face fines in relation to leased properties**

Under PRC laws and regulations, property lease agreements must be filed with the local housing authorities. As at the Latest Practicable Date, we had not filed our lease agreements of any of the properties we leased. As advised by our PRC Legal Adviser, the non-registration of lease agreements does not affect the validity of such lease agreements. However, we might be ordered to rectify such non-filing by the competent authorities and if we fail to rectify within the prescribed period, a penalty of RMB1,000 to RMB10,000 per lease agreement may be imposed on us as a result of such non-filing.

As at the Latest Practicable Date, with respect to two of our leased properties, the relevant lessors had not provided us with valid property ownership certificates and could not prove their ownership of the leased properties or their right to lease out the properties. Further, with respect to one of our leased properties, the relevant lessor could not provide the landlord's consent to sublet the property to us and therefore could not prove their right to lease out the property to us. All such leased properties were used as offices. As advised by our PRC Legal Adviser, if the lessors of the leased properties do not have the requisite rights to lease the relevant properties, the relevant leases may be deemed invalid, and we may be forced to vacate the relevant properties and relocate our offices. We may incur additional expenses during the process, and our business, financial condition and results of operations may be adversely affected.

### **We may be subject to potential disputes in relation to the Business Transfer**

In preparation for the [REDACTED], we undertook the Reorganisation and carried out the Business Transfer on 1 December 2021, pursuant to which all of the assets and liabilities of Xiamen Many Idea and Beijing Many Idea, including their respective customers, contracts on hand, staff, and intellectual properties, etc., except for (i) non-transferable items (including certain assets and liabilities such as Xiamen Vision Culture and Xiamen Advertising which were accounted for as financial assets at fair value through Other Comprehensive Income ("OCI"), income tax payables, and borrowings, which are either not related to our Group's business or non-transferrable in nature, and (ii) the ICP License and the Radio and TV Programme Production and Operation License attached to Xiamen Many Idea and Beijing Many Idea the holding of which by foreign companies are restricted in the PRC, were transferred to our Group for a consideration of RMB370 million. Having considered, among others, our present needs and near-term strategic plan to further develop our SaaS interactive marketing business and such licenses are not necessary, we have decided to implement the Business Transfer to streamline the corporate structure by focusing efforts on developing our prevailing principal businesses.

Upon completion of the Business Transfer, as the principal business of Xiamen Many Idea and its subsidiaries were transferred to our Group, Xiamen Many Idea has become a



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company without substantive operations. While a majority of the shareholders of Xiamen Many Idea become our Shareholders after the Reorganisation which has been duly approved by the shareholders' meeting and the board meeting of Xiamen Many Idea, we cannot guarantee that stakeholders concerned, including but not limited to Mr. Xue, will not challenge the legality and validity of the Business Transfer, or the sufficiency of the consideration of the Business Transfer. Any claims and legal actions against us may lead to legal or other proceedings or cause negative publicity, thereby resulting in damage to our reputation, substantial legal expenses as well as diversion of resources and management's attention from our business activities. Any such dispute, claim or proceeding may have a material adverse effect on our business, financial position and results of operations.

### RISKS RELATING TO DOING BUSINESS IN THE PRC

#### **PRC economic, political, social conditions as well as government policies could adversely affect our business, prospects, financial condition and financial results**

We conduct the majority of our business operations in the PRC and therefore our business, prospects, financial condition and financial results could be influenced by, among others, (i) political structure; (ii) level of the PRC government involvement and control; (iii) growth rate and level of development; (iv) level and control of capital investment and reinvestment; (v) control of foreign exchange; and (vi) allocation of resources. We cannot predict whether changes in the PRC's economic, political and social conditions and its laws, regulations and policies will have any adverse effect on our current or future business, financial condition or results of operations.

In addition, many of the economic reforms carried out by the PRC government are unprecedented or experimental and are expected to be refined and improved over time. Such refining and adjustment process, if any, may not necessarily have a positive effect on our operations and business development. The PRC government has in the past implemented a number of measures intended to curtail certain segments of the economy, which the government believed to be overheating. These actions, as well as other policies of the PRC government, could cause a decrease in the overall level of economic activity in the PRC and, in turn, have an adverse impact on our business and financial condition.

#### **We rely on dividends and other distributions from our PRC subsidiaries to fund our cash and financing requirements, and any limitation on the ability of our subsidiaries to make payments to us could materially and adversely affect our ability to conduct our business**

As an offshore holding company, we rely in part on dividends from our PRC subsidiaries for our cash requirements, dividends payments and other distributions to our Shareholders, and to service any debt that we may incur and pay our operating expenses. The ability of our PRC subsidiaries to distribute dividends is regulated by the PRC law. In particular, under the PRC law, each of our PRC subsidiaries may only pay dividends after 10% of their net profit has been set aside as statutory reserve funds, unless such statutory reserves have reached at least 50% of its registered capital. The statutory reserves are not available for distribution to us, except in liquidation. Also, the calculation of distributable profits under the PRC accounting standards differs in many aspects from the calculation under the HKFRSs.

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As a result, our subsidiaries in the PRC may not be able to pay any dividends in a given year to us if it does not have distributable profits as determined under the PRC accounting standards, even if it may have profits for that year as determined under HKFRSs. Limitations on the ability of our PRC subsidiaries to remit their entire after-tax profits to us in the form of dividends or other distributions could adversely affect our ability to grow, make investments that could be beneficial to our business, pay dividends and otherwise fund and conduct our business. We cannot assure that our subsidiaries will generate sufficient earnings and cash flows to pay dividends or otherwise distribute sufficient funds to us to enable us to pay dividends to our Shareholders.

### **Dividends payable by us to our foreign investors and any gain on the sale of our Shares may become subject to withholding taxes under the PRC tax laws**

Under the EIT Law, and its implementation rules, PRC withholding tax at the rate of 10% is generally applicable to dividends from PRC sources 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 if the relevant income is not effectively connected with the establishment or place of business. Any gain realised on the transfer of shares by such investors is subject to 10% PRC income tax if such gain is regarded as income derived from sources within China. Under the relevant PRC tax laws, 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 realised by such investors on the transfer of shares are generally subject to 20% PRC income tax. Any such PRC tax liability may be reduced by the provisions of an applicable tax treaty.

As substantially all of our business operations are in China, it is unclear whether dividends we pay with respect to our Shares, or the gain realised from the transfer of our Shares, would be treated as income derived from sources within China and as a result be subject to PRC income tax if we are considered a PRC resident enterprise. If PRC income tax is imposed on gains realised 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. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with China may not qualify for benefits under such tax treaties or arrangements.

### **Our dividend income from our foreign-invested PRC subsidiaries may be subject to a higher rate of withholding tax than that which we currently anticipate.**

Under the EIT Law and EIT Rules, if a foreign entity is deemed to be a "non-resident enterprise" as defined under the EIT Law, a withholding tax at the rate of 10% will be applicable to any dividends payable to the foreign entity unless otherwise reduced or exempted by relevant tax treaties or similar arrangements. According to the Arrangement between the Mainland of China and 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稅和防止偷漏稅的安排), dividends paid by a PRC foreign-invested enterprise to its shareholder(s) incorporated in Hong Kong will be subject to withholding tax at a rate of 5% if the Hong Kong company

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directly holds 25% or more interest in the PRC foreign-invested enterprise. The SAT promulgated the Notice of the SAT on issues regarding Beneficial Owner under Tax Treaties (關於稅收協定中「受益所有人」有關問題的公告) (the "Circular 9") on 3 February 2018, which addresses the methods to determine the "beneficial owners" under the treaty articles on dividends, interest and royalties.

It is possible, based on the abovementioned principles, that the PRC tax authorities would not consider our Hong Kong subsidiary as the "beneficial owner" of any dividends paid from our PRC subsidiaries and would deny the claim for the reduced rate of withholding tax. Under the current PRC tax law, this would result in dividends from our PRC subsidiaries to our Hong Kong subsidiary being subject to PRC withholding tax at a 10% rate instead of a 5% rate. This would negatively impact us and it would impact our ability to pay dividends.

### **Fluctuations in the value of the RMB may have a material and adverse impact on your investment**

During the Track Record Period, we primarily operated in the PRC and our revenue and expenditures are primarily denominated in RMB. However, the [REDACTED] of the [REDACTED] and any dividends we pay on our Shares will be in Hong Kong dollars. Depreciation in the RMB would adversely affect the value of our [REDACTED] of the [REDACTED] and result to incur foreign exchange losses and the amount of any dividends we pay to our Shareholders, or require us to use more RMB funds to service the same amount of any foreign debt. The RMB exchange rates are affected by, among other things, changes in political and economic conditions and PRC's foreign exchange regime and policy.

There are limited hedging instruments available in the PRC to reduce our exposure to exchange rate fluctuations, and the cost of the available hedging instruments may fluctuate significantly over time and can outweigh the potential benefit from the reduced currency volatility. As at the Latest Practicable Date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risks. In any event, the availability and effectiveness of these hedging instruments may be limited and we may not be able to hedge our exposure successfully, or at all.

### **The PRC government's control over foreign currency conversion may adversely affect our business and results of operations and our ability to remit dividends**

The PRC government imposes controls on the convertibility of the RMB into foreign currencies through PRC foreign exchange regulations. It cannot be guaranteed that under a certain exchange rate, we shall have sufficient foreign exchange to meet our foreign exchange needs. Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licences to carry out foreign exchange business. Foreign exchange transactions under the capital account, however, normally need to be approved by or registered with the SAFE or its local branch unless otherwise permitted by law.

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Under existing foreign exchange regulations, following the completion of the [REDACTED], we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, we cannot assure you that these foreign exchange policies regarding payment of dividends in foreign currencies will continue in the future. In addition, any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or satisfy any other foreign exchange obligation. If we fail to obtain approvals from the SAFE to convert RMB into any foreign exchange for any of the above purposes, our business and results of operations may be materially and adversely affected.

### **Our business may be adversely affected by the introduction of new laws or changes to existing laws by the PRC government and uncertainties regarding interpretation and enforcement of the PRC laws and regulations**

Our business and operations in the PRC are governed by the legal system of the PRC. The PRC legal system is a codified system with written laws, regulations, circulars and administrative directives. Further, court decisions in the PRC do not have any binding effect on lower courts and it may be difficult to enforce judgements and arbitration awards in the PRC. Accordingly, the outcome of dispute resolutions may not be as consistent or predictable as compared to other more developed jurisdictions and it may be difficult to obtain swift and equitable enforcement of the laws in the PRC, or to obtain enforcement of a judgement by a court of another jurisdiction.

The PRC government has made significant progress in promulgating laws and regulations related to economic affairs and matters, such as corporate organisation and governance, foreign investments, commerce, taxation and trade. However, many of these laws and regulations are relatively new and there is a limited volume of published decisions. Therefore, there are uncertainties involved in their implementation and interpretation, which might not be as consistent and predictable as in other jurisdictions.

For example, two draft regulations relating to overseas listing, namely the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (《國務院關於境內企業境外發行證券和上市的管理規定(草案徵求意見稿)》) and Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (《境內企業境外發行證券和上市備案管理辦法(徵求意見稿)》), were released on 24 December 2021 for public comments. Pursuant to such draft regulations, domestic PRC companies that apply for overseas listing are required to, among others, file and report to the CSRC. Uncertainties exist regarding the final form of these regulations as well as the interpretation and implementation thereof after promulgation.

In addition, the PRC legal system is based in part on government policies and administrative rules that may have retroactive effect. Consequently, we may not be aware of any violation of these policies and rules until some time after such violation has occurred. Furthermore, the legal protection available to you under these laws, rules and regulations may be limited. Any litigation or regulatory enforcement action in the PRC may be protracted and could result in substantial costs and diversion of resources and management's attention.

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### **There are uncertainties with respect to the application of PRC tax laws regulating the indirect transfers of assets (including equity interests) by us or our direct or indirect shareholders**

In February 2015, the SAT issued the Announcement on Certain 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》) (as amended on 17 October 2017 and 29 December 2017) ("Circular 7") which abolished certain provisions in the Notice on Strengthening the Administration of Enterprise Income Tax on Non-Resident Enterprises (《關於加強非中國居民企業股權轉讓所得企業所得稅管理的通知》) ("Circular 698"), which was previously issued by the SAT in December 2009, as well as certain other rules providing clarification on Circular 698. On 17 October 2017, the SAT promulgated the Announcement on Matters Concerning Withholding and Payment of Income Tax of Non-resident Enterprises from Source (國家稅務總局關於非居民企業所得稅源泉扣繳有關問題的公告) ("SAT Circular 37"), which came into force and replaced certain provisions of Circular 7 and certain other rules or regulations on 1 December 2017. SAT Circular 37, among other things, simplifies the procedures of withholding and payment of income tax levied on non-resident enterprises.

Circular 7 provides comprehensive guidelines relating to, and also heightens 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"). Circular 7 specifies that when a non-resident enterprise transfers PRC Taxable Assets indirectly by transferring equity interests in an overseas enterprise directly or indirectly holding such PRC Taxable Assets, the PRC tax authorities are entitled to reclassify the nature of such indirect transfer of PRC Taxable Assets as 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.

Although Circular 7 contains certain exemptions, it remains unclear whether any exemptions under Circular 7 will be applicable to the transfer of shares within our Group conducted by us or our direct/indirect shareholders, such as purchasing our shares in the open market, and selling such shares in a private transaction, or vice versa, or to any future acquisition conducted by us outside of PRC involving PRC Taxable Assets, or whether the Chinese tax authorities reclassify such transactions by applying Circular 7.

As a result, we face uncertainties as to the application of Circular 7 and/or SAT Circular 37, including reporting and other obligations with respect to certain past and future transactions where PRC Taxable Assets are involved, such as offshore restructuring, repurchase or subscription or sale of the shares in our offshore subsidiaries or investments. We may be subject to filing obligations or be taxed as the transferor, or subject to withholding obligations as the transferee, in the transactions. For transfer of our Shares by Shareholders that are non-PRC resident enterprises, our PRC subsidiaries may be requested to assist in filings and provision of materials under Circular 7 and/or SAT Circular 37. We may be required to allocate valuable resources to comply with all these requirements in Circular 7 and/or SAT Circular 37, or to establish that we should not be taxed under these rules, which may have a material adverse effect on our financial condition and results of operations.

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### **We may be deemed to be a PRC tax resident under the EIT Law and our global income may be subject to a 25% PRC enterprise income tax**

We are a company incorporated under the laws of Cayman Islands. We conduct our business through our operating subsidiaries in the PRC. Pursuant to the EIT Law, if an enterprise incorporated outside the PRC has its "de facto management bodies" within China, such enterprise may be deemed as a "PRC resident enterprise" for tax purpose and be subject to an enterprise income tax rate of 25% on its global income. The EIT Rules define the term "de facto management bodies" as "bodies that have actual overall management and control over the business, personal, accounts and properties of enterprises". Currently, all of our management is based in the PRC, and may continue to be based in the PRC in the future. If we are regarded as a PRC resident enterprise by the PRC tax authorities, we would have to pay PRC enterprise income tax at a rate of 25% for our entire global income, which may materially and adversely affect our profit and hence our retained profit available for distribution to our Shareholders.

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

The Provisions on Merger and Acquisition of Domestic Enterprises by Foreign Investor (《關於外國投資者併購境內企業的規定》), or the M&A Rules, adopted by six PRC regulatory authorities 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 an affiliated PRC domestic enterprise.

Moreover, the Anti-Monopoly Law (《反壟斷法》) requires that the anti-trust governmental authority shall be notified in advance of any concentration of undertaking if certain thresholds are triggered. In addition, the Provisions of the Ministry of Commerce on the Implementation of the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《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》) issued by the MOFCOM that became effective in September 2011 specify that mergers and acquisitions by foreign investors that raise "national defence 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 security review, including by structuring the transaction through a proxy or contractual control arrangement. These laws and regulations are continually evolving as the newly enacted Foreign Investment Law took effect.

On 19 December, 2020, the Measures for the Security Review for Foreign Investment (《外商投資安全審查辦法》) was jointly issued by the NDRC and MOFCOM and took effect from 18 January 2021. The Measures for the Security Review for Foreign Investment specified provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, review scopes and procedures,

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among others. In the future, we may grow our business by acquiring other integrated marketing solutions providers. 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 relevant governmental authorities, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

### **PRC regulations on loans to and direct investment by offshore holding companies in PRC entities may delay or prevent us from using the [REDACTED] of the [REDACTED] to make loans or additional capital contributions to our PRC subsidiaries**

As an offshore holding company of our PRC subsidiaries, we may make loans to our relevant PRC subsidiaries, or we may make additional capital contributions to our PRC subsidiaries. Any loans to our PRC subsidiaries are subject to PRC regulations and foreign exchange loan registrations. For example, loans by us to our PRC subsidiaries to finance their activities cannot exceed statutory limits and must be registered with the SAFE or its local counterpart. We may also finance our PRC subsidiaries by means of capital contributions. According to the relevant PRC regulations on foreign-invested enterprises in the PRC, the increasing of capital contributions to our PRC subsidiaries is subject to the registration with relevant governmental authorities in the PRC. We expect that PRC laws and regulations may continue to limit our use of net [REDACTED] from the [REDACTED] or from other financing sources. We may not be able to obtain these government registrations on a timely basis, if at all, with respect to future loans or capital contributions by us to finance our PRC subsidiaries. If we fail to receive relevant registrations, our ability to use the [REDACTED] of the [REDACTED] and to capitalise on our PRC operations would be negatively affected which would adversely and materially affect our liquidity and our ability to expand our business.

### **PRC regulations relating to the establishment of offshore special purpose vehicles by PRC residents may subject our PRC resident Shareholders to personal liability, limit our PRC subsidiaries' ability to distribute profits to us, or otherwise adversely affect our financial position**

The SAFE promulgated Circular of the State Administration of Foreign Exchange on Issues concerning Foreign Exchange Administration over the Overseas Investment and Financing and Round-Trip Investments by Domestic Residents via 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》 (the "Circular 37") on 4 July 2014 to replace the Circular of the SAFE on Relevant Issues Concerning Foreign Exchange Administration for Financing and Return Investments by Domestic Residents through Special-Purpose Overseas Companies 《國家外匯管理局關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知》 (the "Circular 75"). According to Circular 37, PRC residents (including PRC citizens and PRC enterprises) shall apply to the SAFE or its local bureau to register foreign exchange for overseas investments before contributing to special purpose vehicles (the "SPVs") with legitimate domestic and overseas assets or rights and interests. In the event of any alteration in the basic information of the registered SPVs, such as the change of a PRC citizen shareholder, name and operating duration; or in the event of any alternation in key

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information, such as increases or decreases in the share capital held by PRC citizens, or equity transfers, swaps, consolidations, or splits, the registered PRC residents shall timely submit a change in the registration of the foreign exchange for overseas investments with the foreign exchange bureaus.

On 13 February 2015, SAFE issued 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 “**Circular 13**”), which states that the foreign exchange registration under domestic direct investment and the foreign exchange registration under overseas direct investment will be directly reviewed and handled by banks.

We may not at all times be fully aware or informed of the identities of all our beneficiaries who are PRC nationals, and may not always be able to compel our beneficiaries to comply with the requirements of the Circular 37 and the Circular 13. As a result, we cannot assure you that all of our Shareholders or beneficiaries who are PRC nationals will at all times comply with, or in the future make or obtain any applicable registrations or approvals required by Circular 37, Circular 13 or other related regulations. Under the relevant rules, failure to comply with the registration procedures set forth in Circular 37 may result in restrictions on the foreign exchange activities of the relevant PRC enterprise and may also subject the relevant PRC resident to penalties under the PRC foreign exchange administration regulations.

### **Any failure to comply with PRC regulations regarding our employee equity incentive plans may subject the participants or us to fines and other legal or administrative sanctions**

Our Company may adopt employee equity incentive plans after it becomes an overseas [REDACTED] company upon the completion of the [REDACTED]. In such a case, we, along with our Directors and other employees who may be granted options, may be subject to the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company\* (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), issued by the SAFE in February 2012. According to the foregoing Notice, directors, employees, and other management members who are PRC citizens or non-PRC citizens residing in China for a continuous period of no less than one year participating in any stock incentive plan of an overseas publicly listed company, subject to limited exceptions, are required to register with the SAFE through a domestic qualified agent, which could be a PRC subsidiary of such overseas listed company, and complete certain other procedures. Failure to complete the SAFE registrations may subject them to fines and other legal sanctions and may also limit their ability to make payment under the equity incentive plans or receive dividends or sales proceeds related thereto, or our ability to contribute additional capital into our PRC subsidiaries and our PRC subsidiaries' ability to distribute dividends to us. This notice issued by the SAFE only covers two categories of equity incentive plans, i.e. employee stock ownership plans and stock option plans. As a result, we also face regulatory uncertainties that could restrict our ability to adopt additional equity incentive plans for our Directors and employees under PRC laws and regulations.



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In addition, the SAT has issued certain circulars with respect to employee share option. Under these circulars, our employees working in China will be subject to PRC individual income tax if they exercise share options. Our PRC subsidiaries have the obligation to file documents relating to the employee share options with the relevant tax authorities and to withhold individual income tax for those employees. If our employees fail to pay or we fail to withhold income tax according to the relevant laws and regulations, we may face sanctions imposed by the relevant tax authorities.

### **It may be difficult to effect service of legal process or to enforce any judgements obtained from non-PRC courts against us and our management**

Substantially all of our assets and our executive Directors and senior management are located within China. Therefore, it may not be possible for investors to effect service of process upon us or those persons inside China or enforce against us or those persons in China any judgements obtained from non-PRC courts.

On 14 July 2006, the PRC Supreme Court and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgements 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 "2006 Arrangement") which became effective on 1 August 2008, pursuant to which any designated people's court of the PRC or any designated Hong Kong court has made an enforceable final judgement requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing by the parties, any party concerned may apply to the relevant people's court of the PRC or Hong Kong court for recognition and enforcement of the judgement.

On 18 January 2019, the Supreme People's Court of the PRC and the government of the Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "2019 Arrangement"). Although the 2019 Arrangement has been signed, it remains unclear when it will come into effect. When the 2019 Arrangement become effective, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the effective judgements in civil and commercial cases under the 2019 Arrangement but will be subject to the conditions set forth in the 2019 Arrangement. Therefore, the outcome and effectiveness of any action brought under the 2019 Arrangement is still uncertain. We cannot assure you that an effective judgement that complies with the 2019 Arrangement can be recognised and enforced in a PRC court. The 2006 Arrangement will be superseded upon the effective date of 2019 Arrangement. However, the 2006 Arrangement will remain applicable to a "choice of court agreement in writing" as defined in the 2006 Arrangement which is entered into before the 2019 Arrangement taking effect.

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### **Inflation in China could negatively affect our profitability and growth**

The PRC government implemented various policies from time to time to control inflation, including imposing various corrective measures designed to restrict the availability of credit or regulate growth. High inflation in the future may cause the PRC government to once again impose controls on credit and/ or price of commodities, or to take other actions, which could inhibit economic activities in China. Any action on the part of the PRC government that seeks to control credit and/or price of commodities may adversely affect our business operations, causing negative impact on our profitability and growth.

### **RISKS RELATING TO THE [REDACTED] AND OUR SHARES**

#### **An active and/or open [REDACTED] market for our Shares may not develop as at or after the [REDACTED]**

There is no public market for our Shares. While we have applied for [REDACTED] and [REDACTED] in our Shares on the Main Board of the Hong Kong Stock Exchange, an active, open or liquid public market for our Shares may not develop as at or after the [REDACTED] or be sustained if developed. Shareholders are reminded that as one of the conditions for the [REDACTED], there must be an open market in the Shares to develop at the time of [REDACTED]. The Hong Kong Stock Exchange will not grant the approval for, and the SFC may object to, the [REDACTED] of the Shares if an open market in the Shares does not exist at the time of [REDACTED]. Besides, the SFC may exercise its power of suspension under section 8 of the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) if, at any time after the [REDACTED], it appears to the SFC that there may not have been an open market and that a suspension in the [REDACTED] of Shares is necessary or expedient in the interest of maintaining an orderly and fair market in the Shares and in the interests of the investing public or for the protection of our investors.

The [REDACTED] may not be necessarily indicative of the market price of our Shares after the [REDACTED] is complete. An investor who purchases our Shares in the [REDACTED] may not be able to resell such Shares at or above the [REDACTED] and, as a result, may lose all or part of the investment in such Shares.

#### **Liquidity, [REDACTED] volume and [REDACTED] price of our Shares may be volatile, which could result in substantial losses for the Shareholders**

The price at which our Shares will trade after the [REDACTED] will be determined by the marketplace, which may be influenced by many factors, some of which are beyond our control, including:

- our financial results;
- changes in [REDACTED] analysts' estimates, if any, of our financial performance;
- the prospects for, us and the industry in which we compete;

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- an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenue and cost structure such as the views of independent research analysts, if any;
- the valuation of publicly traded companies that are engaged in business activities similar to ours;
- general market sentiment regarding the marketing industry;
- changes in applicable laws and regulations in the PRC; and
- political, economic, financial and social developments in the PRC and worldwide.

In addition, the Hong Kong Stock Exchange has from time to time experienced significant price and volume fluctuations that have affected the share prices for the securities of companies [REDACTED] on the Hong Kong Stock Exchange. As a result, investors in our Shares may experience volatility in the price of their Shares and a decrease in the value of Shares regardless of our operating performance or prospects.

### **Termination of the [REDACTED]**

Prospective investors should note that the [REDACTED] are entitled to terminate their obligations under the [REDACTED] by the [REDACTED] (for itself and on behalf of the [REDACTED]) by giving written notice to our Company upon the occurrence of any of the events stated in the section headed "[REDACTED] — [REDACTED] — Grounds for Termination" at any time prior to 8:00 a.m. (Hong Kong time) on the [REDACTED]. Such events include, without limitation, any series of events in the nature of force majeure.

Should the [REDACTED] (for itself and on behalf of the [REDACTED]) exercise their rights and terminate the [REDACTED], the [REDACTED] will not proceed and will lapse.

### **Future sales of substantial amounts of the Shares in the public market may adversely affect the prevailing market price of the Shares**

Except for our Shares to be issued under the Capitalisation Issue, the [REDACTED], any Shares to be converted under the [REDACTED] Loan and the grant of, and the issue of any shares which may be allotted and issued pursuant to the exercise of, options which may be granted under the Share Option Scheme, our Company [has agreed] with, among others, the Sole Sponsor, the [REDACTED] and the [REDACTED] under the [REDACTED] not to issue any of the Shares or [REDACTED] convertible into or exchangeable for the Shares during the period beginning from the date of the [REDACTED] and continuing through the date which is six months from the [REDACTED], except with the prior written consent of the [REDACTED] (for itself and on behalf of the [REDACTED]). Further, our Shares held by our Controlling Shareholders are subject to certain lock-up undertakings for periods commencing on the date of this

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document from the [REDACTED]. After these restrictions lapse, the market price of the Shares may decline as a result of sales of substantial amounts of the Shares or other [REDACTED] relating to the Shares in the public market, the issuance of the new Shares or other [REDACTED] relating to the Shares, or the perception that such sales or issuances may occur. This may also materially and adversely affect our ability to raise capital in the future at a time and at a price we deem appropriate.

### **Shareholders' interests may be diluted as a result of additional equity fund-raising**

We may need to raise additional funds in the future to finance any further expansion of our business. If additional funds are raised through the issuance of new equity or equity-linked [REDACTED] of our Company other than on a pro rata basis to existing Shareholders, their percentage ownership in our Company may be reduced, and such new [REDACTED] may confer rights and privileges that take priority over those conferred by the Shares.

### **The shareholding percentages of the existing Shareholders will be diluted following the conversion of convertible loan into our Shares**

In January 2022, our Company as borrower entered into a convertible loan agreement (together, the "Loan Agreements") with each of (i) ZGC; (ii) Many Idea Xue Jun; (iii) Huirong; and (iv) GEI (together, the "[REDACTED] Loan Lenders"), respectively, pursuant to which each of the [REDACTED] Loan Lenders agreed to grant a loan to our Company in the principal amount of US\$5 million (in respect of ZGC); (ii) US\$1 million (in respect of Many Idea Xue Jun); (iii) US\$600,000 (in respect of Huirong) and (iv) HK\$3 million (in respect of GEI), respectively (collectively, the "[REDACTED] Loans"). The [REDACTED] Loans were drawn down in January 2022.

In the event that the [REDACTED] Loans are converted into Shares on the [REDACTED] pursuant to the terms of the Loan Agreements, each of ZGC, Many Idea Xue Jun, Huirong and GEI will become interested in 1.9507%, 0.3901%, 2.2191% and 0.1493% of the total issued Share capital of our Company immediately after the [REDACTED] (without taking into account Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and the options which may be granted under the Share Option Schemes).

As a result, the shareholding percentages of the existing Shareholders in our Company would be diluted if the [REDACTED] Loan is converted to our Shares on the [REDACTED] and could negatively affect the market price of our Shares.

### **We may record a change in fair value of the [REDACTED] Loans in respect of the conversion option derivative in the future, which may have an adverse impact on our profit for that year**

We recorded a gain in fair value of the [REDACTED] Loans in respect of the conversion option derivative in the amount of RMB759,000. However, we may record change in fair value of the [REDACTED] Loans for subsequent years until the [REDACTED] Loans expired or have been converted. The fair value change is a non-cash

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item. Before the completion of the [REDACTED], the [REDACTED] Loans may be converted into Shares pursuant to the Loan Agreements. Any fair value change which results in fair value loss on the [REDACTED] Loans in the future could have an adverse impact on our profit for that year.

### **Exercise of options granted under the Share Option Scheme may result in dilution to the Shareholders**

We conditionally adopted the Share Option Scheme on [●] 2022. As at the Latest Practicable Date, no option had been granted to subscribe for any Shares under the Share Option Scheme. Following the issuance of new Shares upon exercise of any options that may be granted under the Share Option Scheme, there will be an increase in the number of issued Shares. As such, there may be a dilution or reduction of share-holding of existing Shareholders which results in a dilution or reduction of our earnings per Share and net asset value per Share. In addition, the fair value of options to be granted to eligible participants under the Share Option Scheme will be charged to our consolidated statements of profit or loss and other comprehensive income over the vesting periods of the options. Fair value of the options shall be determined on the date of granting of the options. Accordingly, our financial results and profitability may be materially and adversely affected.

### **The interests of our Controlling Shareholders may not always coincide with our interests and those of our other Shareholders**

Immediately following completion of the [REDACTED] and Capitalisation Issue (assuming (i) the [REDACTED] is not exercised, (ii) the [REDACTED] Loan is not converted into Shares, (iii) and the options which may be granted under the Share Option Scheme are not exercised at all), our Controlling Shareholders will be entitled to exercise in aggregate voting rights of [REDACTED]% of the total issued share capital of our Company immediately upon [REDACTED]. Our Controlling Shareholders will be in a position which has significant influence over the operations and business strategy of our Company, and may have the ability to require us to effect corporate actions according to their own desires. If the interests of any of our Controlling Shareholders conflict with our and/or your interests, our Company or those other Shareholders, including you, may be adversely affected as a result.

### **There may be difficulties in protecting your interests because our Company is incorporated under the Companies Act in the Cayman Islands**

Our corporate affairs are governed by, among other things, our Memorandum and Articles of Association and by the Companies Act and common law of the Cayman Islands. The law of the Cayman Islands relating to the protection of the interests of minority shareholders may differ in some respects from those established under statutes and judicial precedent in existence in Hong Kong and other jurisdictions. Such differences may mean that our minority shareholders may have different protection than they would have under the laws of Hong Kong and other jurisdictions. Please refer to the section headed "Appendix III — Summary of the Constitution of our Company and Cayman Companies Act" to this document.

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### **[REDACTED] from the [REDACTED] may be subject to foreign exchange risk**

Our headquarter is in the PRC with our sales and purchases mainly denominated in RMB while the [REDACTED] from the [REDACTED] will be denominated in Hong Kong dollars. As such, we may be exposed to fluctuations in exchange rate and any unfavourable fluctuation against our Group may adversely affect the underlying value of our [REDACTED] from the [REDACTED].

### **We cannot assure you that we will declare and distribute any amount of dividends on our [REDACTED] in the future**

During the Track Record Period, we did not declare any dividends. Our Board of Directors has discretion as to whether to distribute dividends. Even if our Board of Directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our results of operations and cash flow, our earnings, our capital requirements and surplus, our financial condition, our business development and prospects, our contractual restrictions, economic outlook, statutory fund reserve requirements and other factors deemed relevant by our Board of Directors. There is no guarantee that our Board of Directors will declare or distribute dividends in any year or that our Shares will appreciate in value or even maintain the price at which you purchased the [REDACTED]. You may not realise a return on your investment, or may even lose your investment, in our [REDACTED].

### **Our management has significant discretion as to how to use the net [REDACTED] of the [REDACTED], and you may not necessarily agree with how such [REDACTED] will be used**

Our management may use the net [REDACTED] from the [REDACTED] in ways which you may not agree with or which may not yield a favourable return to our Shareholders. By investing in our [REDACTED], you are entrusting your funds to our management, upon whose judgement you must depend, for the specific uses which we will make of the net [REDACTED] from this [REDACTED].

## **RISKS RELATING TO INFORMATION CONTAINED IN THIS DOCUMENT**

### **Certain facts and statistics in this document relating to our industry may not be reliable**

Certain facts and statistics in this document, including industry data and forecasts, have been derived from various official government publications and independent sources which we generally believe to be reliable. However, we cannot guarantee the quality or reliability of such materials. None of us, our Directors, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], or our or their respective affiliates or advisers have independently verified information and statistics from official government sources, or made any representation as to, the accuracy of such facts, statistics, data and forecasts. Investors should not place undue reliance on such facts, statistics, data and forecasts. Due to possibly flawed or ineffective collection methods or discrepancies between published information, market practice and other problems, the statistics in this document may be inaccurate or may not be comparable to

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statistics produced for other publications or purposes and you should not place undue reliance on them. Furthermore, they may not be stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to, or place on, such information or statistics.

**You should read the entire document carefully and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us and the [REDACTED]**

We strongly caution you not to place any reliance on any information contained in press articles or other media regarding us and the [REDACTED]. We have not authorised the disclosure of any information in the press or media. We do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it and you should not rely on any such information.

**Forward-looking statements contained in this document are subject to risks and uncertainties**

This document contains certain statements that are "forward-looking" and may use forward looking terminology such as "aim", "anticipate", "believe", "can", "could", "estimate", "expect", "going forward", "intend", "may", "might", "plan", "potential", "predict", "project", "seek", "should", "will", "would" or similar expressions, or their negatives or other similar expressions. Those statements include, among other things, the discussion of our business strategies and the expectations of our future operations, liquidity and capital resources. Purchasers and subscribers of our [REDACTED] are cautioned that reliance on any forward-looking statement involves risk and uncertainties and that, any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. The uncertainties in this regard include those identified in the risk factors discussed above. In light of these and other uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us, our Directors, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], or our or their respective affiliates or advisers that our plans and objectives will be achieved. Investors should not place undue reliance on such forward-looking information.