

BUSINESS

OUR VISION

Building upon our solid foundation in integrated marketing solutions services, we strive to become a smart marketing technology platform enterprise.

OVERVIEW

We provide integrated marketing solutions services in the PRC. Our integrated marketing solutions services consist of five types of marketing services, namely (i) content marketing; (ii) SaaS interactive marketing; (iii) digital marketing; (iv) public relations event planning; and (v) media advertising. Content marketing uses content as the carrier and integrates advertisements into various events and videos to achieve marketing purposes. It can be divided into two broad categories: event content marketing and digital content marketing. Among event content marketing, sports content marketing rely on sports events such as marathons and street dancing for marketing purposes. We have been successful in the provision of event content marketing services. According to the Frost & Sullivan Report, we are a leading PRC event content marketing services company and we ranked third by revenue in the event content marketing services market in the PRC in 2021. We also ranked second by revenue in the sports event content marketing services market in the PRC in 2021.

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

We have strong integrated capability on project planning, design, operation and execution and we are able to facilitate our brand customers to enhance the effectiveness of their marketing campaigns and brand value through our content marketing projects. During the Track Record Period, we had a number of content marketing projects featuring unique IP contents such as ABC Kids Planet Race* (小馬星球), Sofa Music Festivals* (沙發音樂節) and Fashion Week Series* (國際時尚週). During each period of the Track Record Period, revenue attributable to our content marketing services accounted for approximately 63.7%, 57.7%, 53.2% and 57.4% of our total revenue for 2019, 2020, 2021 and 4M2022, respectively.

For our digital marketing, our services generally include the provision of advertisement and marketing services on online (such as video and social media platforms). We have an exclusive cooperation arrangement with NetEase (網易). NetEase (網易) has approximately 580 million users in 2021 and we pay an agency fee periodically in exchange for the exclusive rights to sell online advertising resources in specified cities in the PRC to our customers. As at the Latest Practicable Date, the specified cities were Xiamen city and Zhangzhou city. Through the exclusive cooperation arrangement, we are able to better control our costs and enhance our gross profit margin.

For our media advertising services, we generally provide advertisement and marketing services through traditional media channels (such as television and outdoor public advertising resources).

BUSINESS

For our public relations event planning services, we provide event planning services which generally include event planning, event promotion, event set up and hosting and overall event management.

For our SaaS interactive marketing services, we offer a cloud-based marketing solutions platform to our customers. Customers can subscribe to and utilise interactive marketing templates and tools on our platform to manage their marketing campaigns. The introduction of SaaS interactive marketing services is an important business expansion in our services as we believe such service can complement and create synergy effects with our other marketing solutions services and provide a more comprehensive integrated marketing solutions experience to our customers.

Our integrated marketing solutions services are well recognised by the industry. We have received numerous awards for our projects such as China Advertising Great Wall Award* (中國廣告長城獎), an award granted by the China Advertising Association* (中國廣告協會) which is a national industry association with over 35 years of history, and China Advertising Marketing Awards* (中國廣告營銷大獎), an award granted by China Advertising Magazine* (中國廣告雜誌社) which is a professional advertising magazine in the PRC.

Through our integrated marketing solutions services, we can provide our customers with both online and offline marketing solutions services to enhance the awareness and popularity of their brands and products. Our customers consist of a number of popular and well known brands which we have developed a stable business relationship. During the Track Record Period, we were engaged by over 200 customers to provide our integrated marketing solutions services and some of these customers include:



BUSINESS

The following table sets forth the breakdown of our Group's revenue, in terms of amount and as a percentage to our total revenue, by our services offering for the periods indicated:

	For the year ended 31 December					For the four months ended 30 April				
	2019		2020		2021	2021		2022		
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Content marketing	249,175	63.7	178,051	57.7	188,164	53.2	20,372	29.0	82,546	57.4
SaaS interactive marketing ¹	-	-	-	-	10,581	3.0	-	-	8,951	6.2
Digital marketing	62,972	16.1	73,123	23.7	87,950	24.9	30,757	43.8	24,959	17.4
Public relations event planning	42,870	11.0	39,428	12.8	25,434	7.2	5,866	8.4	3,858	2.7
Media advertising	36,021	9.2	17,775	5.8	41,171	11.7	13,224	18.8	23,493	16.3
Total	391,038	100.0	308,377	100.0	353,300	100.0	70,219	100.0	143,807	100.0

Note:

- We did not generate any revenue from our SaaS interactive marketing services in 2019, 2020 and 4M2021 as we officially launched the Content Engine platform under our SaaS interactive marketing services in June 2021.

OUR COMPETITIVE STRENGTHS

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

We are a leading PRC event content marketing services company with strong integrated capability of project planning, design, operation and execution, through which we support our customers to enhance the effectiveness of their marketing campaigns and brand value

We are a leading PRC event content marketing services company. Event content marketing services rely primarily on offline events such as concerts, marathons, fashion shows and other local events, to conduct marketing activities. According to the Frost & Sullivan Report, we ranked third by sales revenue in the event content marketing services market in China in 2021, accounting for approximately 0.5% of the total sales of such market in China.

We believe that the extensive resources we have accumulated throughout the years of our operation provide us with a competitive advantage to provide integrated marketing solutions services to our customers. With extensive experience in integrated marketing solutions services, we have deep understanding of the market and our customers' demands. Further, leveraging on our strong planning, design, operation and execution capabilities of IP contents, we are able to facilitate our customers to increase brand awareness from their end-customers and to enhance their interactions with their end-customers, especially with particular success through event content marketing projects.

BUSINESS

During the Track Record Period, we had a number of content marketing projects featuring unique IP contents such as ABC Kids Planet Race* (小馬星球), one of our most successful content marketing projects utilising our self owned IP contents, and Fashion Week Series* (國際時尚週) which took place in cities worldwide with designers in the PRC and overseas participated in the events.

Our projects are well recognised by our customers and the industry. We have received numerous awards for our various projects such as China Advertising Great-wall Awards* (中國廣告長城獎), an award granted by the China Advertising Association* (中國廣告協會) which is a national industry association with over 35 years of history, and China Advertising Marketing Awards* (中國廣告營銷大獎), an award granted by China Advertising Magazine* (中國廣告雜誌社) which is a professional advertising magazine in the PRC. We have also been selected as Top 20 Regional PR Companies in China* (中國區域公關公司20強) by the Federation of Regional PR Agencies in China* (中國公共關係行業區域聯盟) for over three years, which is a testimony to our well recognised reputation in the industry.

With excellent capability to integrate "online" and "offline" media channel resources, we are able to provide one-stop integrated marketing solutions services to our customers, thereby enhancing the publicity effect of marketing activities for our customers

Not only are we well experienced in offline marketing projects, we are also adept at using online channels (such as online video platforms and social media platforms) and offline advertising channels (such as outdoor advertising public resources like buses and trains, elevators and public transport stations) to promote marketing activities for our customers. We have excellent capability of integrating online and offline channel resources, enabling us to provide an integrated application of online and offline marketing services, thereby enhancing the publicity effect of marketing activities for our customers and assisting our customers to gain awareness and recognition from their end-customers.

With years of operation in the industry, we have accumulated extensive resources and long term cooperations with a number of the upstream and downstream industry players. This has equipped us with knowledge of the operational characteristics of the different advertising and marketing channels, thereby allowing us to provide more tailored advertising and marketing strategies to our customers to achieve better marketing effects for them.

Our wide array of resources have laid a solid foundation to bolster our planning, design and publication capabilities. It allows us to have more accurate analysis of the characteristics and behaviours of the end-customers of our customers, through which we can better cater to our customers' marketing demands with tailored made marketing plans and strategies utilising diversified marketing resources through our integrated marketing solutions services in content marketing services, digital marketing services, public relation event planning services and media advertising services. We believe that offering a diverse array of marketing solutions services to our customers is effective in promoting their brands.

BUSINESS

We have a diverse customer base and stable cooperation with a large number of customers, with particular success in sports brand companies

In respect of our content marketing services, we have the marketing rights to certain events featuring unique IP contents and sell sponsorship plans to advertise in these events to our customers for their marketing purposes. We have established strong business relationships with a number of our major customers. For example, we have business relationships with ABC Kids, Panpan* (盼盼), Gold Crown* (金冠) and HongXing Erke* (鴻星爾克) for eight years, five years, five years and four years, respectively. We have also received wide market recognition from sports brand companies. According to the Frost & Sullivan Report, five of the top ten sports brand companies in the PRC in terms of revenue in 2021 were our customers.

We also have an extensive and diversified customer base, which includes well known enterprises engaged in various industries such as footwear and apparel, food and beverage, daily necessities, real estate, fashion, electronics and internet, as well as governments and universities. Some of our well known customers' brands include, among others, HongXing Erke* (鴻星爾克), ABC Kids, Hanhoo* (韓后), Liby* (立白), FILA (斐樂), Gold Crown* (金冠), 361 Degrees* (361度), Guirenniao* (貴人鳥), Panpan* (盼盼), Hengan* (恒安), CR Land* (華潤置地), Vanke* (萬科) and Anjoy* (安井). During the Track Record Period, we had in aggregate over 200 customers, with over 35% of them had engaged us for more than one project during the Track Record Period.

We have strong capability to operate and commercialise IP contents through our integrated marketing solutions services

Building upon our years of experience in providing integrated marketing solutions services to our customers, we have developed strong capability to operate and commercialise IP contents through our content marketing projects. For our content marketing projects, we integrate brands and products of our customers into the content marketing projects to promote our customers' brands and products which, at the same time, increase the popularity and commercial values of the IP contents through the projects.

Some of our representative content marketing projects included self owned IP content marketing projects and third party IP content marketing projects such as ABC Kids Planet Race* (小馬星球), Sofa Music Festivals* (沙發音樂節), Fashion Week Series* (國際時尚週), China University Marathon League* (中國大學生馬拉松聯賽) and CBC Street Dance Championship* (CBC街舞冠軍賽) and a number of which have won industry recognition and awards including, among others, the Golden Bee Best Integrated Marketing Silver Award* (金蜜蜂最佳整合行銷類銀獎), the 8th Social Marketing Golden Bee "Brand Marketing Gold Award"* (第八屆社會化行銷金蜜蜂「品牌行銷類金獎」) and China Advertising Great-wall Awards "Annual Marketing Communication Case"* (中國廣告長城獎「年度行銷傳播案例」).

Further, we have amassed a wide range of online media channels, including portals such as NetEase (網易), Weibo (微博) and WeChat (微信), video websites such as Youku (優酷) and community media such as Babytree (寶寶樹). We utilise these channels to provide

BUSINESS

further exposure and publicity to the events in our content marketing projects, in an effort to enhance the marketing effects on our customers' brands and products, as well as the popularity and commercial values of the IP contents featured in those projects.

We are empowered by our SaaS interactive marketing platform, Content Engine, which provides integrated "Content + Technology" platform services with editable marketing templates and tools that can be tailored to different needs of our customers

Given the rising costs in obtaining online public traffic, corporate customers are looking to maximise the value of online private traffic through the use of quality and efficient SaaS marketing platform. To capture the enormous market and business opportunities, we started to prepare for the expansion into the SaaS interactive marketing services in 2018. After in-depth research on the needs of our customers and discussion with our customers, as well as our extensive efforts in developing and improving the platform, we formally launched our Content Engine platform in June 2021.

Our Content Engine provides a cloud-based marketing solutions platform for our customers, which integrated "content and technology" with an aim to assist our customers to fully utilise and monetise their online private traffic through interactions with their end-customers, drive repurchase rates of their end-customers and realise growth of their business. Using our Content Engine platform, our customers can create customised online marketing contents, such as an interactive mini-game, to share with their existing end-customers, who can forward such contents to new end-customers. Our customers can also utilise the customised online interactive marketing contents through screens installed in offline stores to interact with end-customers. All of these enable our customers to effectively obtain new customers.

For example, one of our customers, a PRC cosmetic brand, published two WeChat posts on the same day in January 2022. The post which utilised the marketing template on our Content Engine had more than five times of the views than another post which did not utilise the marketing template on our Content Engine from the date of the posts till 7 July 2022. Therefore, we believe that our marketing templates and tools on our Content Engine have been effective in assisting our customers in enhancing interactions with their end-customers.

Our Content Engine platform has many marketing templates which can be grouped into three main categories: (i) digital interactive marketing contents; (ii) screen interactive marketing contents; and (iii) creative marketing templates. These various marketing templates can be applied to many different and diverse industries and scenarios. Further, our Content Engine platform also provides our customers with marketing data management and analytical tools to assist them to manage their marketing campaigns on a single unified platform and analyse marketing data.

Due to our broad customer base and marketing experience, stable relations with industry partners and sound industry reputation, our Content Engine platform has gained recognition from our customers since its formal launch in June 2021. As at 30 April 2022, our Content Engine platform had over 2,500 user accounts.

BUSINESS

We have a visionary and experienced management team

We have a strong management team with comprehensive operational and industry knowledge. Our Group is under the leadership of Mr. Liu, our founder and chairman of the Board, who has over 15 years of experience in the marketing industry who possesses excellent capabilities in sales and business management within the industry. In fact, Mr. Liu received the Annual Industrial Contribution Award* from the Federation of Regional PR Agencies in China* (中國公共關係行業區域聯盟) in 2017 and the 2017 Social Network Marketing Leader* from the Advertiser* (廣告主傳媒) in 2017 for his outstanding achievements and contributions in the field of domestic social network marketing. Other senior management members of our Group, such as Ms. Huang and Mr. Chen ZM, our executive Directors, also have strong marketing or related experience, strong industry background and extensive experience with our customers. For further details on the background and experience of our Directors and senior management, please refer to the section headed "Directors and Senior Management" in this document.

OUR STRATEGIES

We plan to further increase our market share and enhance our overall competitiveness as a leading integrated marketing solutions provider by implementing the following strategies:

Expand our SaaS interactive marketing business by enhancing the diversity and quality of our interactive creative management tools, investing in the data analytic abilities, and upgrading the platform with new functions

Since the formal launch of our Content Engine platform, we have successfully gained recognition from our customers and have received encouraging feedbacks from them. With such positive feedbacks from our customers, it reinforces our determination to continue to enhance the capability and performance of our Content Engine platform. In order to capitalise on the continued growing demand from our customers for quality and efficient interactive marketing templates and tools, we plan to increase our investment in our SaaS interactive marketing platform including investment in interactive creative management tools, data analytics capabilities, system technologies, and additional research and develop staff to further enhance and develop the functions on the Content Engine platform so that we can provide more comprehensive interactive marketing functions to assist our customers to increase engagement of end-customers, increase their repurchase rates and acquire new end-customers.

With respect to the interactive creative management tools on our Content Engine platform, we plan to continue to develop more marketing templates to enable our customers to optimise their marketing campaigns and realise better marketing performance. We intend to further develop or enhance the functionalities of our Content Engine platform such as content module and open module. Content module will be devoted to research, development and production of new and creative marketing template. We plan to regularly update the marketing templates following the latest market trend, enabling our customers to successfully engage and interact with their end-customers with the latest news and top trends. We have obtained the licences for the

BUSINESS

copyrights of 200 anime image IPs for use in the creation of mini-games and H5 screen interactive marketing contents on our Content Engine platform. We also intend to establish an open module on our platform to upgrade and connect the platform with design studios through API connections, allowing designers from China or even all over the world to share their marketing templates on our platform, which will enhance the content and diversity of marketing templates for our customers' use.

We plan to invest in the data analytic abilities of our Content Engine platform to enhance its analytical applications and to provide more targeted data analytic services to our customers. We also plan to continue to invest in AI to optimise our algorithm recommendation functions on our Content Engine platform to provide more targeted and specific marketing templates recommendation to our customers based on the types of industries that they are involved in, the types of targeted end-customers and their preferences. With such upgraded AI capabilities, we expect our platform to automatically generate marketing templates to incorporate specific information of our customers (such as their logos) in the marketing templates without further modification. This will enhance our customers' user experience by reducing time cost in creating marketing templates for their specific marketing needs and provide value added services to our customers.

Further, we intend to upgrade our current joint marketing functions in our Content Engine platform into a real-time bidding function. After the upgrade, our joint marketing functions will have the real-time bidding capability to allow different customers to bid for cooperation opportunities on our Content Engine platform. Based on the characteristics of our customers, our platform can also recommend cooperation opportunities to our customers. As such, the new online joint marketing functions will be able to match our customers through the platform and enable them to utilise their respective resources to further facilitate cooperation by sharing of their online private traffic, thereby creating synergy effects for both customers.

We expect to implement the expansion plan of our SaaS interactive marketing business over the next three years starting in the second half of 2022 and utilise approximately HK\$[REDACTED] million, HK\$[REDACTED] million and HK\$[REDACTED] million of the net [REDACTED] from the [REDACTED] by the years ending 31 December 2022, 2023 and 2024 respectively. For details on the breakdown of the net [REDACTED] and the implementation timetable, please refer to the section headed "Future Plans and Use of [REDACTED] — Use of [REDACTED]."

Scale up our IP contents portfolio and expand our integrated marketing solutions businesses

Through years of experience, we have acquired the capability to operate and commercialise self owned IP contents and third party IP contents. For example, we have successfully commercialised one of our own IP contents, ABC Kids Planet Race* (小馬星球), where we had several content marketing projects utilising such IP contents during the Track Record Period. Given our success and expertise in operating and commercialising IP contents, we intend to further invest in the development of our own IP contents and acquisition of third party IP contents (such as games, movies and animes) to broaden our IP portfolio and enrich our IP contents offerings. We also intend to invest in the promotion

BUSINESS

of our IP contents to increase their popularity to enhance their commercial values and further fortify our market position as a leading PRC event content marketing services company.

To further expand our integrated marketing solutions business, we intend to further enhance our "online" and "offline" channel resources integration by deepening our cooperation with our existing media channels and exploring new business opportunities with new media channels. For example, we intend to increase our cooperation with additional online video platforms, live streaming platforms and popular KOLs to provide our customers with more diversified marketing and advertising channels to better suit their promotional campaigns.

We expect to implement the scaling up our IP contents portfolio and expanding our integrated marketing solutions businesses during the next three years starting from the second half of 2022 and utilise approximately HK\$[REDACTED] million, HK\$[REDACTED] million and HK\$[REDACTED] million of the net [REDACTED] from the [REDACTED] by the years ending 31 December 2022, 2023 and 2024 respectively. For details on the breakdown of the net [REDACTED] and the implementation timetable, please refer to the section headed "Future Plans and Use of [REDACTED] — Use of [REDACTED]."

Expand our geographical coverage and enlarge our customer base

We plan to expand our geographical coverage and increase our customer base through strategic expansion in Beijing by upgrading our Beijing office to be our second headquarters to facilitate the promotion and expansion of our SaaS interactive marketing services as Beijing is considered one of the IT centers in China, offering a large pool of technology and IT talents that are required by our SaaS interactive marketing services. We also plan to establish offices in first and second tier cities in the PRC (such as Shanghai, Shenzhen and Hangzhou). Along with expansion in these cities, we plan to hire sales and marketing personnel in these cities to provide comprehensive national coverage.

With the expansion of geographical coverage, we also intend to diversify our customer base to include, among others, customer from the wine and liquor, furniture and homeware, and cosmetic industries. We believe diversification and expansion of customer base will assist us to grow our business in the future.

We also intend to acquire new customers by further deepening our cooperation with marketing agency companies. We believe cooperation with these marketing agency companies would be an effective way to acquire new customers as they have access to brand owners and are in search of marketing and advertising opportunities.

We expect to implement our investment plan in expanding our geographical coverage and enlarging our customer base over the next three years starting from the second half of 2022 and utilise approximately HK\$[REDACTED] million, HK\$[REDACTED] million and HK\$[REDACTED] million of the net [REDACTED] from the [REDACTED] by the years ending 31 December 2022, 2023 and 2024 respectively. For details on the breakdown of the net [REDACTED] and the implementation timetable, please refer to the section headed "Future Plans and Use of [REDACTED] — Use of [REDACTED]."

BUSINESS

Pursue investment and acquisition opportunities

We intend to selectively pursue strategic acquisitions and investments that are complementary to our growth strategies, particularly those that can help us enrich our offerings and enhance our technologies and products. We believe our extensive industry experience and insights will enable us to identify suitable targets and effectively evaluate and execute potential opportunities.

Our potential acquisition and investments targets will be upstream marketing industry players such as IP contents companies, content creation companies, SaaS technologies companies and media resources companies. Our targeted industry players should be able to, among other things, (i) create synergies with our operation by integrating special expertise (such as creative content production or SaaS technology expertise) with our Group; (ii) increase our product and service offerings; and/or (iii) engage in its business preferably in the area of SaaS interactive marketing, as this remains to be our strategic development focus and we expect it will become one of our key drivers of our future growth.

We plan to pursue our strategic investment and acquisition plan by initiating the search for potential targets in the second half of 2022. After identifying appropriate targets, we will start the processes of due diligence, valuation, negotiation and feasibility studies as part of the customary procedures towards closing the investments or acquisitions. We plan to utilise approximately HK\$[REDACTED] million and HK\$[REDACTED] million of the net [REDACTED] from the [REDACTED] by the years ending 31 December 2023 and 2024, respectively, to close on the transactions.

OUR BUSINESS MODEL

Our integrated marketing solutions services consist of five types of marketing services, namely (i) content marketing; (ii) SaaS interactive marketing; (iii) digital marketing; (iv) public relations event planning; and (v) media advertising. The development of these five types of services take their own turns.

We started our business first in public relations event planning services in 2012 and subsequently expanded to digital marketing services and media advertising services. Through organic growth, we further expanded to content marketing services in 2016. To capture the growing demand from our customers for maximising the value of online private traffic through the use of quality and efficient SaaS marketing platform, we started to prepare for the expansion into the SaaS interactive marketing services in 2018. Through our continuous development efforts, we formally launched our SaaS interactive marketing platform, Content Engine, in June 2021. As at 30 April 2022, our Content Engine platform had over 2,500 user accounts.

Our Content Engine platform is a cloud-based marketing solutions platform through which customers can subscribe to and utilise interactive marketing templates and tools to manage their marketing campaigns. We believe the introduction of our Content Engine platform can complement and create synergy effects with our other marketing solutions services and provide a more comprehensive integrated marketing solutions experience to our customers.

BUSINESS

Through our integrated marketing solutions services, we can provide our customers with both online and offline marketing solutions services to enhance awareness and popularity of the brands and products of our customers. Over the years, we have established a broad base of customers and have accumulated abundant advertising and marketing resources.

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

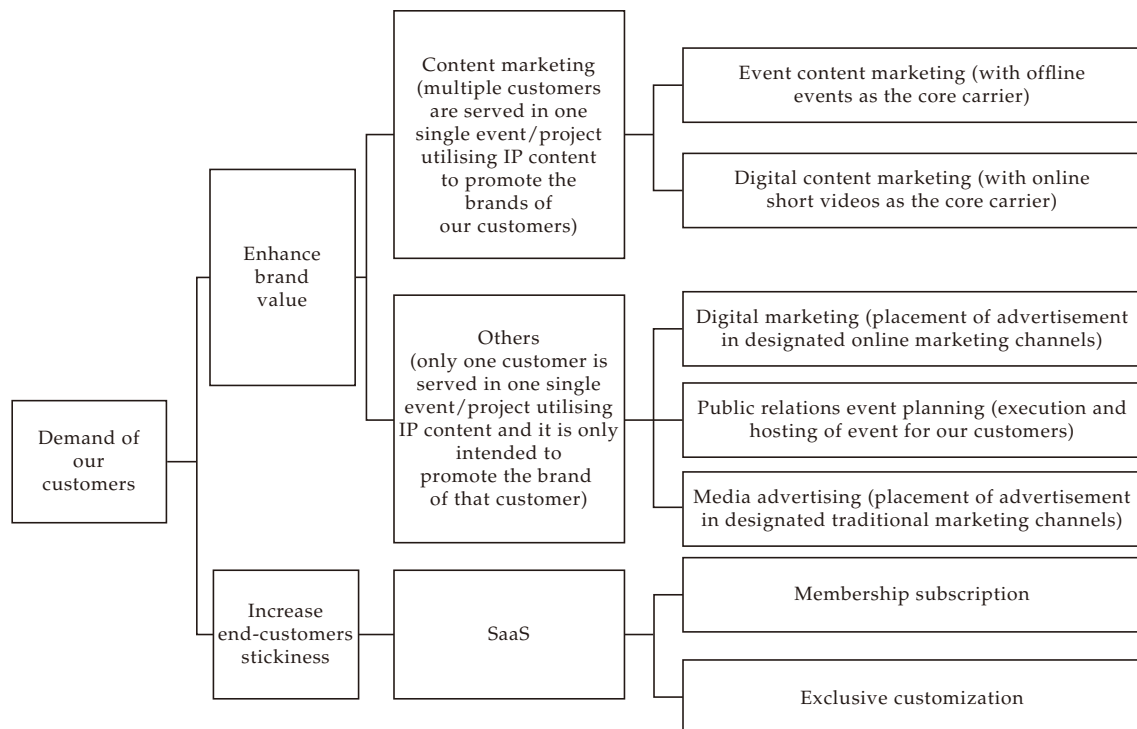


OUR INTEGRATED MARKETING SOLUTIONS

Our integrated marketing solutions services consist of five types of marketing services, namely (i) content marketing; (ii) SaaS interactive marketing; (iii) digital marketing; (iv) public relations event planning; and (v) media advertising. Content marketing, digital marketing, public relations event planning and media advertising primarily aim to promote brand awareness and value of our customers, while SaaS interactive marketing primarily aim to enhance loyalty and stickiness of the end-customers of our customers, encourage repurchase rate and referral of new end-customers. Further, among content marketing, digital marketing, public relations event planning and media advertising, content marketing is able to promote multiple sponsored customers' brands at the same time in a single project, while the other three types of marketing services provide exclusive one-to-one marketing solutions to a single customer in a single project.

BUSINESS

The below diagram generalises the differences and features of our five types of marketing services.



Our integrated marketing solutions services cover a large customer base. We have particular success in the fast moving consumer goods (such as food and beverages and cosmetics) and footwear and apparel (including sports brands) industries, with approximately 71.3%, 69.2%, 81.1% and 77.6% of our total revenue generated from customers in these two industries during each period of the Track Record Period, respectively.

Among the five services of our integrated marketing solutions services, content marketing services contributed to the largest percentage as to our total revenue, while SaaS interactive marketing services is expected to be one of our future key drivers of growth, representing our most important strategic focus.

With our strong capability to operate and commercialise IP contents, the scale of our operations and established relationships with our suppliers, we are able to provide cost advantage to our customers utilising our integrated marketing solutions services. For our content marketing projects, through our strong ability to commercialise IP content, we can promote multiple sponsoring customers’ brands at the same time in a single content marketing project. If a brand customer were to acquire and develop the IP content marketing project by itself to solely promote its own brand, it would need to bear all the associated expenses (including acquisition costs and/or development cost associated with the IP content, as well as the corresponding media advertising resources costs) by itself, which will be more costly and also less effective than participating in our project.

BUSINESS

Taking one of our sports event content marketing projects as an example, we had acquired all the marketing rights for the project and sold the sponsorships, including one title sponsorship and three third tier sponsorships, to four sponsoring customers. Leveraging our expertise in planning and execution of event content marketing projects, our capabilities to obtain the marketing rights at a lower cost by bulk purchase and sharing our production costs of the project among all sponsoring customers, we were able to sell the one title sponsorship to our customer for only RMB5.0 million which was lower than our total cost for the project which amounted to approximately RMB6.2 million. Meanwhile, the aggregate revenue contributed by the sponsoring customers of this project amounted to around RMB9.8 million and we generated profit from the project. Therefore, by leveraging our capabilities, we were able to offer content marketing services to each of our sponsoring customers at a lower price and thus created value for numerous customers.

For our digital marketing services, we can leverage our scale of operations and relationships with online media channel providers to negotiate and obtain competitive prices and discounts. For example, we could enjoy an additional 15% discount from a renowned online media channel provider in the PRC if the amount of advertisement placements is over RMB1 million. By combining demands from our various customers, we can easily achieve such placement target and obtain the additional 15% discount, and thus offer a more competitive price to our customers. It may have been difficult for a single customer to reach the required placement target and enjoy the discount. Therefore, we are able to leverage on our scale of purchase to reach the target amount and enjoy the discount, and hence we could offer a more competitive price to our customers.

By engaging us through the integrated marketing solutions services we provide, our customers not only can benefit from the reduced costs in the projects resulting from our purchasing power and strategies to enjoy a lower price, but also can benefit from our extensive marketing experiences.

Content Marketing

Content marketing refers to the commercial communication behaviour for the purpose of marketing with content as the core carrier. It combines marketing information with entertaining and interesting IP contents which can be presented through many different formats and ways, such as sports events, fashion shows and holiday celebrations that are hosted offline, and play series, short video clips and mini games that are presented through online media. Content marketing promotes multiple customers' brands and products in one single project. Contents with well-known IP can attract a large number of audiences and participants at the same time and therefore maximize exposures of customers' brands and products and marketing effects, thereby increasing the value of the marketing services.

BUSINESS

We assist our customers, who are typically the sponsors in content marketing projects, with the planning, design and production and the implementation of a variety of interactive contents and marketing materials (e.g. text, pictures, audio, videos, and mini-games) into the projects to advertise and promote their brands and products. In addition, we also assist our sponsoring customers to achieve publicity and advertising traffic to promote their brands and/or products through online media channels such as NetEase (網易), Weibo (微博), WeChat (微信), Youku (優酷), KOLs, and other video and social media platforms. Through a combination of marketing solutions utilising digital and traditional advertising channels and the event itself, we are able to provide efficient and diverse marketing solutions to cater the different needs of our customers.

During each period of the Track Record Period, we had 28, 24, 18 and 10 content marketing projects, respectively. Our revenue contributed by content marketing services amounted to RMB249.2 million, RMB178.1 million, RMB188.2 million and RMB82.5 million, respectively, during each period of the Track Record Period. For the same periods, we had 42, 33, 30 and 16 customers in relation to our content marketing projects, respectively.

The project duration of our content marketing projects typically ranges from within one month to 10 months.

We recognise revenue from content marketing services over the period during which the related services are rendered when the customer simultaneously receives and consumes the benefits provided by us.

Categorisations of Content Marketing Projects

Sports Content Marketing Projects and Fashion Lifestyle Content Marketing Projects

Classified by project type, our content marketing services focus on two divisions, namely sports and fashion lifestyle.

According to Frost & Sullivan, we ranked second by revenue in the sports event content marketing services market in China in 2021, accounted for approximately 2.2% of the total sales of such market in China. According to Frost & Sullivan, sports event content marketing services has increased from RMB1.2 billion to RMB3.3 billion from 2016 to 2021 with a CAGR of 22.4%. This huge increase is mainly driven by the encouragement of the Chinese government on increasing citizens' health condition and the announcement of National Fitness Programme (2016–2020) (《全民健身計劃(2016–2020年)》). Further, the State Council recently announced National Fitness Programme (2021–2025) (《全民健身計劃(2021–2025年)》) to emphasise the importance of fitness and community sports events. Increasing popularity of sporting events is considered as a future trend of China's event content marketing services market. According to Frost & Sullivan, sports event content marketing services market is expected to further increase from RMB3.3 billion in 2021 to RMB12.2 billion in 2026, with CAGR of 29.9%.

BUSINESS

During each period of the Track Record Period, sports content marketing projects accounted for approximately 56.2%, 40.4%, 58.3% and 46.1% of our total revenue from content marketing services, respectively.

Below table sets out a breakdown in terms of amount and as a percentage to our total revenue from content marketing services by project type during the Track Record Period:

	For the year ended 31 December						For the four months ended 30 April	
	2019		2020		2021		2022	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Sports	140,080	56.2	72,009	40.4	109,670	58.3	38,065	46.1
Fashion lifestyle	109,095	43.8	106,041	59.6	78,494	41.7	44,481	53.9
Total	249,175	100.0	178,051	100.0	188,164	100.0	82,546	100.0

Event Content Marketing Projects and Digital Content Marketing Projects

Classified by the formats of presentation being offline or online, our content marketing services can be categorised into event content marketing projects primarily carried out through offline events and digital content marketing projects mainly delivered through online media.

Event content marketing primarily utilizes offline events as the core content carrier to promote customers' brands and products. Such offline events can be, among others, sports events, fashion shows, and music festivals. Multiple customers' brands and products can be promoted in a single event to a large number of participants and audiences through advertisements incorporated and embedded in the event contents. Although the primary events for event content marketing projects are hosted offline, we also utilise online channels to promote the offline events. According to the Frost & Sullivan Report, we ranked third by revenue in the event content marketing services market in China in 2021, accounted for approximately 0.5% of the total sales of such market in China.

BUSINESS

Digital content marketing, on the other hand, primarily utilizes online contents as the core content carrier to promote customers' brands and products. The online contents can be, among others, online short video clips and mini games. Our customers' products such as footwear, beverages and snacks and brands can be promoted through embedded advertisements incorporated within these online contents. Similar to event content marketing services, multiple customers' brands and products can be showcased and displayed throughout the online advertisements in a single event to the potential customers.

During the Track Record Period, there was a gradual shift of customers' demand from event content marketing services to digital content marketing services with the aim to minimise the impact of COVID-19 on offline events. During each period of the Track Record Period, revenue generated from our event content marketing projects accounted for approximately 94.1%, 75.4%, 72.4% and 53.8% of our total revenue from content marketing services, respectively, and revenue generated from our digital content marketing projects accounted for approximately 5.9%, 24.6%, 27.6% and 46.2% of our total revenue from content marketing services, respectively. For further details, please refer to the section headed "Financial Information — Key Components of Our Consolidated Statements of Profit or Loss — Revenue — Content Marketing — Content Marketing Projects Revenue by Nature of Primary Marketing Channel" in this document.

Self Owned IP Content Marketing Projects and Third Party IP Content Marketing Projects

Our content marketing services can be categorised by the use of self owned IPs and third party IPs. During each period of the Track Record Period, revenue generated from our self owned IP content marketing projects accounted for approximately 13.9%, 29.3%, 31.3% and 44.5% of our total revenue from content marketing services, respectively, and revenue generated from our third party IP content marketing projects accounted for approximately 86.1%, 70.7%, 68.7% and 55.5% of our total revenue from content marketing services, respectively. For further details, please refer to the section headed "Financial Information — Key Components of Our Consolidated Statements of Profit or Loss — Revenue — Content Marketing — Content Marketing Projects Revenue by Ownership of IP Contents" in this document.

We believe strengthening our own IP contents is to our interest, as we can broaden our IP contents portfolio to cater for our customers' demand and also benefit from the enhanced popularity and commercial values of the IP contents. We believe this will be beneficial in maintaining our competitiveness. As such, we intend to further invest in the development of our own IP contents to broaden our IP portfolio and enrich our IP contents offering. For further information, please refer to the section headed "Future Plans and Use of [REDACTED] — Use of [REDACTED]" in this document.

BUSINESS

Representative Content Marketing Projects

Digital Content Marketing Projects

Below are certain of our representative digital content marketing projects:

Fashion Collectibles* x Many Idea Cloud (時尚尖貨 x 多想雲)

2021 FASHION 2021 FASHION 2021 FASHION 2021 FASHION 2021 FASHION

2021 FASHION 2021 FASHION 2021 FASHION 2021 FASHION 2021 FASHION

GOSO 香蜜閩秀

時尚尖貨 FASHION

出品方: 多想互动 总冠名: 香蜜閩秀 行业指定: 鸿星尔克

片头总冠名联名LOGO角标展现

片中行业指定产品周边植入

片尾赞助商LOGO集体展现

片中行业指定LOGO及广告语展现

全片总冠名联名LOGO角标展现

媒体宣发及上线平台: 腾讯视频、爱奇艺、优酷视频、新浪微博、网易新闻;

Project Description: A live broadcasting short video series aiming to promote niche single floriculture, mixology and trendy items by creating an atmosphere that everything can be fashionable from the hosts' point of view. The program was launched and disseminated in various platforms including Tencent Video, iQiyi, Youku, Weibo and NetEase. Multiple sponsors' names are shown in the digital content marketing project through video clips in multiple ways, including joint logos, corner symbols, slogan subtitles, brand product placement and showing of brand information throughout the video.

Example of Sponsoring Customers: HongXing Erke* (鴻星爾克) and COSO* (香蜜閩秀)

BUSINESS

All Hands on Deck* x Many Idea Cloud (全體總動員 x 多想雲)

总冠名 小说熊 行业指定 GOSO

新浪微博 WEIBO.COM 西瓜视频 西瓜视频

片头总冠名联名LOGO展现

片中行业指定产品植入

片中总冠名产品植入

片尾赞助商信息集体展现

MP 美拍 快手

媒体宣发及上线平台: 新浪微博、西瓜视频、快手、美拍视频;

Project Description: A short video series combining stories and sports which seizes the increasing demand from people staying at home for fast weight loss and sports skills learning to stay healthy and keep fit in the post-COVID age. The video is disseminated through various online platforms such as Weibo, Xigua Video, Kuaishou and Meipai, to achieve wide-spread yet targeted exposure to core consumers. Similarly, multiple sponsors' names are shown in the digital content marketing project through video clips in multiple ways, including joint logos, corner symbols, slogan subtitles, brand product placement and showing of brand information throughout the videos.

Example of Sponsoring Customers: Little Raccoon (小说熊) and COSO* (香蜜閩秀)

BUSINESS

Self Owned IP Event Content Marketing Projects

Below are certain of our representative self owned IP content marketing projects which are also event content marketing projects:

ABC Kids Planet Race* (小馬星球)



Project Description: A series of children sports projects such as marathons and other sports events.

Example of Sponsoring Customers: Gold Crown* (金冠), Panpan* (盼盼) and Labixiaoxin Snacks* (蠟筆小新休閒食品)

Awards: Golden Bee Best Integrated Marketing Silver Award* (金蜜蜂最佳整合行銷類銀獎), Golden Yuan Award Music and Sports Silver Award and Golden Touch* (金遠獎音樂體育類銀獎及金觸點), Wind Control Award* (風掣獎), Golden Tree Award* (金樹獎)

BUSINESS

Sofa Music Festivals* (沙發音樂節)



Project Description: A series of music festival projects held on beaches.

Example of Sponsoring Customers: Panpan* (盼盼) and Hanhoo (韩后)

Awards: The 8th Social Marketing Golden Bee "Brand Marketing Gold Award"* (第八届社会化行销金蜜蜂「品牌行销类金奖」)

BUSINESS

Third Party IP Event Content Marketing Projects

Below are certain of our representative third party IP content marketing projects which are also event content marketing projects:

Fashion Week Series* (國際時尚週)



Project Description: A series of fashion show projects held in different cities in the PRC and overseas.

Example of Sponsoring Customers: HongXing Erke* (鴻星爾克) and Hanhoo* (韓后)

Awards: China Advertising Great-wall Awards* “Annual Marketing Communication Case”* (中國廣告長城獎「年度行銷傳播案例」), Golden Touch “Global Commercial Innovation Overseas Marketing Silver Award”* (金觸點「全球商業創新海外行銷銀獎」), Golden Bee “Best Integrated Marketing Bonus Award”* (金蜜蜂「最佳整合行銷獎金獎」), and Suqin Conference 6th Dandelion “Integrated Communication Silver Award”* (蘇秦會第六屆蒲公英「整合傳播銀獎」)

BUSINESS

China University Marathon League* (中國大學生馬拉松聯賽)



Project Description: The Federation of University Sports of China, in collaboration with Ali Sports, created the China University Marathon League* where multiple Chinese universities participated in the various marathons.

Example of Sponsoring Customers: HongXing Erke* (鴻星爾克), Hanhoo* (韓后), Hengan* (恒安) and Gold Crown* (金冠)

CBC Street Dance Championship* (CBC街舞冠軍賽)



Project Description: Street dancing competition held in various cities in the PRC.

Examples of Sponsoring Customers: Gold Crown* (金冠) and Hanhoo* (韓后)

BUSINESS

Sponsorship of Content Marketing Projects

For our content marketing services, our customers are primarily brand owners which pay a sponsorship fee to us to acquire the sponsorship rights to the projects. We offer our customers different tiers of sponsorship plans and our customers are entitled to different sponsorship entitlements depending on the tier of sponsorship plans. By offering sponsorships to these projects, we can cater to our customers' marketing needs by integrating their brands and/or products into the projects. We are able to provide advertising and marketing services to multiple customers in a single project.

The form of sponsorship available to our customers generally comes in three different tiers of sponsorship plans: (i) title sponsor, (ii) licence or gold sponsor, and (iii) strategic or designated sponsor. Based on the tier of sponsorship plan our customers choose, they are entitled to different sponsorship entitlements to the projects such as number and types of advertisements, size and visibility of advertisements, and usage of IP contents of the projects. The table below sets out a general description of the different tiers of sponsorship that are generally available for our content marketing projects:

Tier	General description
Title Sponsor	<ul style="list-style-type: none">• A title sponsorship generally comes with the most sponsorship entitlements such as rights to use the project title, pictures, videos, media and news reports, product placement in videos, live streaming of the events, promotions on applications, placing logos in prominent places at the events, posters, printed materials, exclusive performances, personalised booths, and gift packages. They are usually the highest tier sponsors and their names will come before other tiers of sponsors and usually there is only one title sponsor per project.
Licence or Gold Sponsor	<ul style="list-style-type: none">• These are usually the second tier sponsors and the number, size, and duration of their advertisements generally are smaller and less prominent compared to that of the title sponsors and have less sponsorship entitlements.
Strategic or Designated Sponsor	<ul style="list-style-type: none">• They are usually the lowest tier of sponsors and have the least sponsorship entitlements.

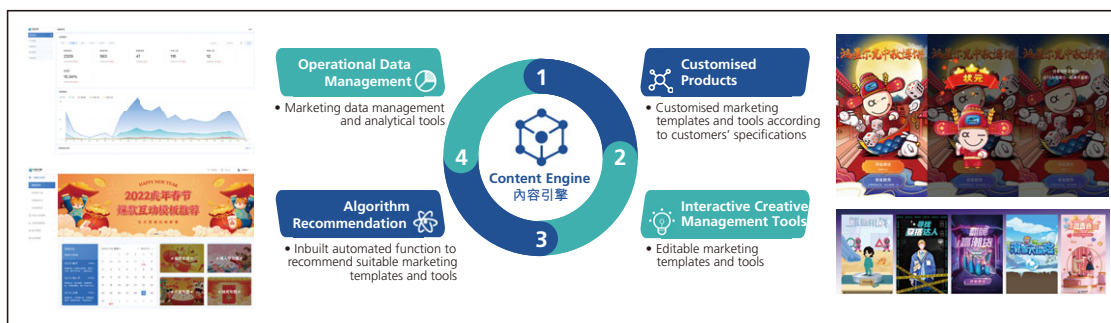
BUSINESS

SaaS Interactive Marketing

We began to prepare for the expansion into the SaaS interactive marketing services in 2018. Compared to our content marketing and other types of marketing services which primarily aim to popularize our customers' brands and products, our SaaS interactive marketing services primarily aim to enhance the loyalty of existing individual members of the branded customers, improve their repeating purchase rate, and use interactive online marketing tools and templates to activate the interaction with its members by leveraging on cost-effective online private traffic of our customers.

After our continuous development efforts and investments, in June 2021, we formally launched our SaaS interactive marketing platform, Content Engine which provides cloud-based marketing solutions for customers to create customised marketing content for disseminating to their end-customers through excavating online private traffic.

The diagram below generalises the major functions of our Content Engine platform:



Overview of our SaaS Interactive Marketing Platform

Based on our experience in integrated marketing solutions services and research on customers' demands for quality and efficient interactive marketing templates and tools to excavate and maximise online private traffic, our Content Engine platform integrates our core interactive strategies in content marketing into digital standardised marketing templates. Marketing templates and tools on our Content Engine platform are aimed to enhance interactions of our customers with their end-customers, assist our customers to better utilise online private traffic, provide operational data analysis to our customers and assist them to manage their marketing campaign on a single unified platform. With the use of our Content Engine platform, it would assist our customers to increase engagement of existing end-customers, increase their repurchase rate and to acquire new end-customers.

Our own R&D team has successfully developed the functions and algorithm utilised in our SaaS interactive marketing platform. As at the Latest Practicable Date, our Group had registered two domain names, 60 trademarks, 30 software copyrights and 44 copyrights in the PRC and one trademark in Hong Kong, which we consider to be material to our business. In order to enhance the functionality of and contents on our Content Engine platform, we have also collaborated with external suppliers to support us. For

BUSINESS

example, we have undertaken efforts to (i) cooperate with a graphic and poster creative design company to develop interactive marketing templates and tools; (ii) engage a data intelligence solution company for provision of data analysis services to be used on our platform; and (iii) obtain the licences for the copyrights of 200 anime image IPs for use in the creation of interactive marketing contents on our platform within the PRC.

Revenue Model

Our SaaS interactive marketing service is offered in the form of (i) provision of subscription service and (ii) provision of customised marketing products. Under the subscription service model, customers can subscribe by paying different level of subscription fees which will provide them with access to the corresponding functions and marketing operation tools on the platform. Further, our customers can create sub-accounts for additional fees for different branches and personnel under the same group and thereby allowing our customers to easily manage group marketing campaigns on a single unified platform. For specialised marketing contents and materials, we will charge an additional fee for each usage. The subscription service generally is for annual subscription with a one year duration.

Under the customised service model, we provide customised marketing contents and materials to our customers according to their specific requirements for additional fees. Customised service is offered on a project basis and typically takes us around one month to prepare the customised marketing contents and materials. Our customers under this model will be granted exclusive use of the customised marketing contents and materials for a period of time and upon the expiration of the exclusive period, the marketing contents and materials will be released on our Content Engine platform.

For the subscription service, we recognise the subscription fees over time on a systematic basis over the contract term beginning from the date on which the service is made available to customer. For the customised service, we recognise revenue at the time when the control of customised marketing contents and materials are transferred to our customers.

Paying Users of our SaaS Interactive Marketing Platform

Since the formal launch of our Content Engine platform in June 2021, it has achieved success. Our SaaS interactive marketing services are offered either through an annual subscription basis or a customised project basis. The annual subscription offers a three-tier subscription plan with each tier commensurate with a corresponding subscription price. For the four months ended 30 April 2022, our SaaS interactive marketing services had 23 customers, all of which are active and paying customers. In relation to the customised project services, we had 18 customers, all of which were our repeating customers (i.e. customers who had engaged us for more than one customised project). For the year ended 31 December 2021 and the four months ended 30 April 2022, our average revenue per user account was approximately RMB33,000 and RMB3,500, respectively. We recorded a lower average revenue per user account for the four months ended 30 April 2022 compared to the year ended 31 December 2021 partly because we had engaged SaaS agents to assist in the marketing and sales of our SaaS interactive marketing

BUSINESS

services for the four months ended 30 April 2022 and the users who subscribed to our Content Engine through them usually subscribed to the lower tier subscription plans since our SaaS agents focus primarily on small and medium size customers. For further details, please refer to the sub-sections headed "Business — Our Integrated Marketing Solutions — SaaS Interactive Marketing — Sales Channel" and "Business — Pricing Strategies" in this section of the document.

Functions of our SaaS Interactive Marketing Platform

The primary functions and features offered on our Content Engine platform include (i) interactive creative management tools; (ii) algorithm recommendation; and (iii) operational data management. All of these functions and tools are developed by us.

Interactive Creative Management Tools

We have developed various marketing templates and tools on our Content Engine platform including (i) digital interactive marketing contents which are mini-games designed for use by our customers online to interact with their end-customers, (ii) screen interactive marketing contents which are designed for use by our customers in offline stores or events to interact with their end-customers, and (iii) various creative marketing templates such as posters, long form posters, forms and tables. Our customers can click on the marketing templates and tools to easily modify it to create marketing contents and materials to meet their own marketing needs.

We also offer specific customisation services to our customers to create marketing templates and tools according to their specifications to meet their marketing needs. We charge additional fees for creating customised marketing templates and tools. We also charge additional fees on specialised marketing contents and materials.

To continue enhancing the marketing contents and materials on our Content Engine platform, we continuously create and/or update the marketing templates and tools to keep up with the changing marketing demands of our customers, their end-customers and the latest market trends. Some of the interactive marketing templates on our platforms include, among others, lucky draws, new product releases, promotional celebrations, and holiday blessing templates.

Algorithm Recommendation

To assist our customers to select the suitable templates from our vast collection of marketing templates for their marketing needs, we have developed and inbuilt an automated function on our Content Engine platform, which is able to automatically recommend templates to our customers according to their industries, customers' preference or types of targeted end-customers. Further, our customers may also search for relevant templates by inserting key words to make the search or by selecting a few search criteria such as by industry, marketing purpose, types of mini-games, holidays and festivals and style.

BUSINESS

Operational Data Management

To enhance the effectiveness of our customers using our marketing templates on our Content Engine platform, we have developed various marketing data management and analytical tools which enable our customers to utilise such tools to consolidate the management of content usage of main accounts and sub-accounts. Restrictions and limitations can also be set for each of the accounts for better management by our customers. Further, the platform can analyse the data collected when our customers use our marketing templates and send them to their end-customers. The platform can provide our customers with an analysis of these data in the form of charts or graphs and enable our customers to more accurately and effectively select the marketing templates on our platform for their future use.

Sales Channel

We generate sales of our SaaS interactive marketing services through (i) our own direct sales force; and (ii) SaaS agents. Our own direct sales force consists of our own marketing and sales employees and generally focuses on key and larger size customers. In addition, our own direct sales force also contracts with third party advertising companies which assist large size companies with their marketing and promotion of brands or products. For small and medium size customers, we generally engage our SaaS agents to market and promote our SaaS interactive marketing services. As at 30 April 2022, we had three SaaS agents. 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.

We employ SaaS agents for the marketing and sales of our SaaS interactive marketing services, where we open a SaaS agent account on our Content Engine for each of our SaaS agents and they can set up standard user accounts for their users. They are responsible for receiving orders and collecting payments from the users. Our SaaS agents assist us to market and promote our SaaS interactive marketing services to users. We select SaaS agents who have industry expertise and relationships with a broad range of users. Our SaaS agents may present themselves as agents of our Content Engine when marketing and selling our SaaS interactive marketing services to users. We do not enter into sales agreements with the users of our SaaS agents. The relationship between a SaaS agent and us is that of a buyer and seller relationship. Please refer to the section headed "Business — Our Customers — General Contract Terms with Customers" in this document for further information. To the best of our knowledge, all of our SaaS agents are Independent Third Parties. According to Frost & Sullivan, it is a standard industry practice to engage SaaS agents to market and sell marketing and advertising SaaS products in return for commission in a progressive rate system depending on the revenue brought in by the SaaS agents within the relevant period in China.

As we regard our SaaS agents as our direct buyers, we recognise revenue generated from our SaaS agents for our SaaS interactive marketing services upon setting up and activating user accounts after deduction of the commission expenses paid or payable to such SaaS agents.

BUSINESS

Upgrading of our SaaS Interactive Marketing Platform

We intend to continuously upgrade our Content Engine platform to enhance its functions and utility. Below are some of our plans in improving our Content Engine platform:

- to continue to upgrade our platform with new versions to improve the user experience of our customers and their end-customers and to ensure the smooth running of the platform;
- to continue to enhance the intelligent algorithm recommendation on our platform through the use of AI technologies; and
- to upgrade our platform to become an open platform, enabling third-party developers and designers to connect and access our open platform through standardised open API interface so they can make their interactive marketing templates available on our platform for use by our customers.

Digital Marketing

Our digital marketing services typically involve directly marketing and advertising our customers' brands and products on various online media channels such as NetEase (網易), Toutiao (頭條), Weibo (微博), WeChat (微信) and Youku (優酷) by utilizing KOLs and other means. Compared to our digital content marketing projects under our content marketing segment, our digital marketing projects offer one-to-one marketing services to a customer according to its specific online marketing needs and provide targeted exclusive marketing solutions to a customer. Our primary responsibilities and services for digital marketing projects include:

- providing strategic advertisements placement strategies and plans (such as advice on selection of appropriate channels and target audience);
- providing design of creative advertising contents and materials;
- producing or engaging third party service providers to produce the advertising contents and materials catered to the needs of our customers;
- managing and coordinating with other parties involved in the project;
- procuring online media channels;
- assisting our customers in placing of advertisements on the selected online media channels; and
- evaluating the effects of the advertisements.

BUSINESS

As at the Latest Practicable Date, we had an exclusive cooperation arrangement with NetEase (網易). Under the arrangement, we pay an agency fee periodically in exchange for the exclusive rights to sell advertising resources in Xiamen city and Zhangzhou city in the PRC to our customers. We are responsible for maintaining adequate contents on the channel in those areas where we have acquired exclusive rights. Save as the cooperation with this media channel, we did not enter into any other similar exclusive advertising channel agency agreement with other media channels during the Track Record Period. For details, please refer to the paragraph headed "— Our Suppliers" in this section of this document.

We commenced our business relationship with NetEase (網易) in 2016 and later began the exclusive cooperation arrangement with them. Given that we have established a stable business relationship with NetEase (網易), we are likely to continue to maintain such relationship and may renew the exclusive cooperation agreement with them upon expiry. 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. For details regarding our risks with the channel, please refer to section headed "Risk Factors — Risks Relating to Our Business and Our Industry — We rely on our exclusive cooperation arrangement with NetEase for our digital marketing service" in this document.

During each period of the Track Record Period, approximately 16.1%, 23.7%, 24.9% and 17.4% of our total revenue, respectively, was attributable to digital marketing. Among revenue from digital marketing services, approximately 45.7%, 48.8%, 50.1% and 61.2% of our revenue was from projects utilising channel under the exclusive cooperation arrangement, representing only approximately 7.4%, 11.6%, 12.5% and 10.6% of our total revenue, respectively. As a majority of our revenue is derived from content marketing services segment, we do not have a heavy reliance on NetEase (網易) from the exclusive cooperation agreement in order to operate our integrated marketing solution services business.

The project duration of our digital marketing projects under the non-exclusive cooperation arrangements typically range from within one month to 12 months, while the project duration under the exclusive cooperation arrangement generally lasts for 12 months. We recognise revenue from digital marketing services over the period during which the related services are rendered while the customer simultaneously receives and consumes the benefits provided by us. For each period of the Track Record Period, we had 60, 54, 51 and 13 customers in relation to our digital marketing projects, respectively, and we had 68, 73, 70 and 17 digital marketing projects, respectively.

BUSINESS

Below are some of our representative digital marketing projects:

Joeone First Trousers Show at Paris Fashion Week* (九牧王百年巴黎时装周首场裤秀)



九牧王百年巴黎时装周首场裤秀
北京时间 2021年6月24日 15:00

新浪微博 weibo.com

新浪微博 weibo.com

新浪微博 weibo.com

公众号内容输出

微博话题 #九牧王百年巴黎时装周首场裤秀# 打造

活动直播

微博时尚类KOL投放

打造#九牧王百年巴黎时装周首场裤秀#, 以微博为首发一线平台, 通过微博、微信、小红书、时尚媒体、PR媒体、KOL时尚穿搭达人等全网传播媒体矩阵, 输出优质图文、视频内容, 着力于C端扩大事件影响力, 传递品牌专业优势, 强化消费者品牌认知, 为品牌打造事件曝光与大众口碑。

Project Description: Collaborating with Paris Fashion Week, this project aims to promote our customer's 2022 spring and summer series through fashion KOLs to enhance our customer's brand reputation.

Little Raccoon Live Streaming Marketing* (小浣熊新媒体直播营销)



小浣熊新媒体直播营销 | LITTLE RACCOON NEW MEDIA LIVE MARKETING | APRIL 2020

全民直播购物嘉年华

全民直播购物嘉年华

小浣熊 2020 / 04.22-04.26 小浣熊明星直播种草大回馈

全民直播购物嘉年华

小浣熊 370W+

小浣熊 3500W+

小浣熊 1300W+

小浣熊 570W+

小浣熊 320W+

小浣熊 100W+

Project Description: Engaging celebrities to conduct live streaming marketing on TikTok to promote our customer's products.

BUSINESS

361 Degree IP Joint New Media Marketing* (361度IP聯名新媒體營銷)



Project Description: An online promotional campaign in which our customer collaborated with a popular IP.

HongXing Erke Crossover Products Marketing* (鴻星爾克聯名產品營銷)



Project Description: An online promotional campaign in which HongXing Erke collaborated with an anime IP.

Public Relations Event Planning

Our public relations event planning services provide one-to-one exclusive marketing solutions to customers targeting for their specific offline marketing and promotion needs involving hosting and execution of events for our customers. The services typically involve event planning, event promotion, event set up and hosting, as well as overall event management for our customers. Some of the events we have successfully organised for our customers include product launches, festival celebrations,

BUSINESS

annual meetings, and trade fairs. Our public relations event planning project is differentiated from our event content marketing project mainly in its exclusivity and one-to-one nature of the services provided to the customers.

For our public relations event planning services, we are generally responsible for running the whole event which may include: proposing creative and interactive themes for the event, formulating detailed work plans, promoting the event, coordinating with parties involved in the event, procuring supplies such as venue rental and decoration supplies, engaging third party service providers to assist with setting up the event venue, fine-tuning the work plans and overseeing and managing the smooth running of the whole event.

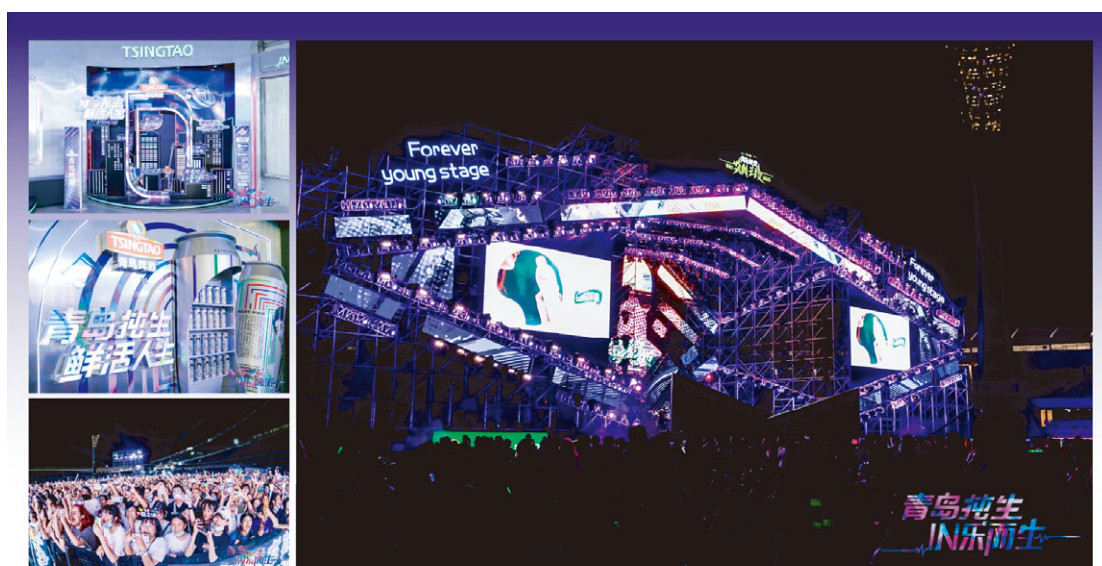
During each period of the Track Record Period, approximately 11.0%, 12.8%, 7.2% and 2.7% of our total revenue, respectively, was attributable to public relations event planning. For the same periods, the number of our public relations event planning projects was 56, 58, 47 and 14, respectively, and we had 34, 36, 36 and eight customers, respectively.

The project duration of our public relations event planning projects typically range from within one to 12 months.

We recognise revenue from public relations events planning services over the period during which the related services are rendered when the customer simultaneously receives and consumes the benefits provided by us.

Below are some of our representative public relations event planning projects:

Tsingtao IN Music Pop-Up Booths* (青島純生IN樂而生)



Project Description: Pop-up booths and events held in various malls and outdoor areas in China to display our customers' brand and for them to interact with their end-customers.

BUSINESS

The Mixc New Year's Eve Electronic Music Party* (華潤萬象城跨年電音派對)



Project Description: A New Year's eve electronic music festival held at a mall in Xiamen to promote the brand of a real estate customer.

Douyin Pop-up Booth City Life Festival in Xiamen* (抖in廈門登鷺計劃—城市美好生活節)



Project Description: Pop-up booth and events held in Xiamen where KOLs were invited to attend to promote our customer's digital media platform.

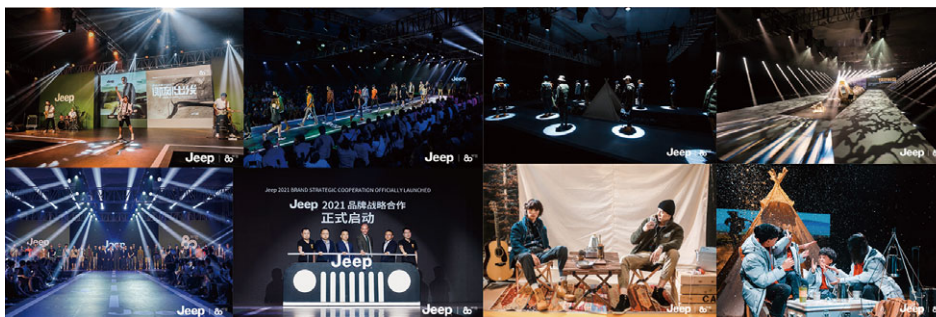
BUSINESS

Rookie Fall Winter New Collection Release* (Rookie 秋冬新品發佈會)



Project Description: We assisted our customer with a stage event with focus on sports and fashion.

Jeep 2021 Fall Winter New Collection Release* (JEEP 2021 秋冬新品發佈會)



BUSINESS

Project Description: We assisted our customer to organise their fall winter new collection release.

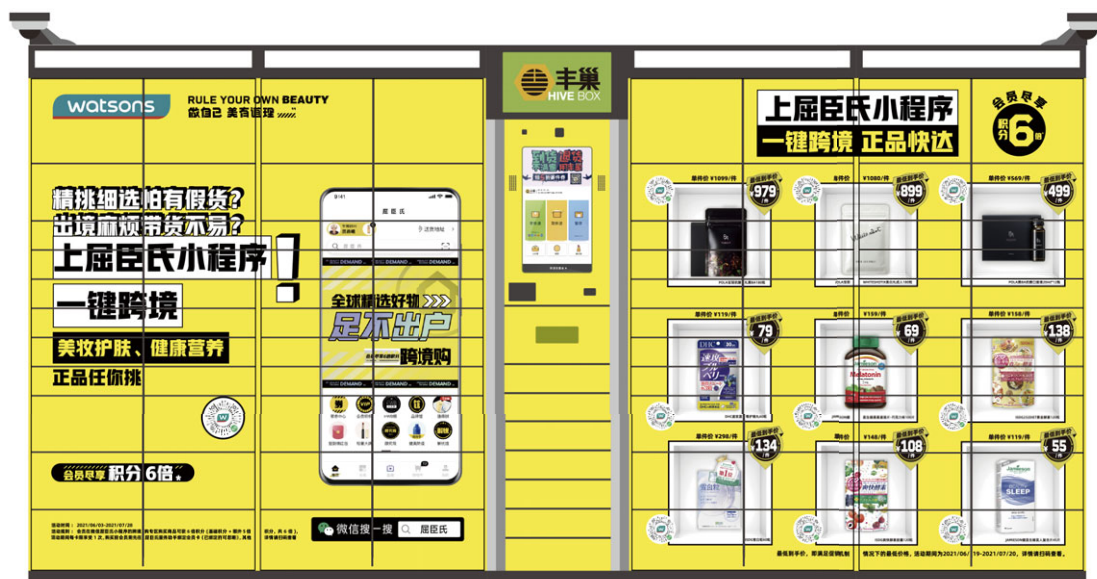
Media Advertising

Our media advertising services also offers one-to-one exclusive targeted marketing solutions to our customer in one single project by providing media planning services and placement of advertisements on traditional advertising channels. We formulate advertising strategies and advertisement placement plans, design advertising content and materials, produce or engage third party service providers to produce the advertising contents and materials, procure traditional advertising channels such as television and outdoor public advertising resources including, among others, buses and trains, elevators, and public transport stations, and coordinate placement of advertisements on these traditional advertising channels.

During each period of the Track Record Period, approximately 9.2%, 5.8%, 11.7% and 16.3% of our total revenue, respectively, was attributable to media advertising. For the same periods, the number of projects of our media advertising projects was 15, 21, 29 and nine, and we had five, three, nine and six customers, respectively.

The project duration of our media marketing projects typically ranges from within one month to 12 months. We recognise revenue from media advertising services over the period during which the related services are rendered when the customer simultaneously receives and consumes the benefits provided by us.

Below is one of our representative media advertising projects:



Project Description: Media advertising for a customer on self pick up locker cabinet walls

BUSINESS

The following table summarises our primary responsibilities and services, main marketing channels, major income sources, range of service fees, major types of expenses, examples of main customers and main types of suppliers of the different types of our services offerings:

	Content Marketing	SaaS Interactive Marketing	Digital Marketing	Public Relations Event Planning	Media Advertising
Primary responsibilities and services	<ul style="list-style-type: none"> Implementing marketing campaign of our customers through sponsorship of events utilising IP contents Assisting our customers to plan, design and produce interactive contents and marketing materials Cooperating with online and traditional advertising channels to promote the events and our customers sponsorships in the events Providing project execution and operation services to IP contents owners and/or operators Hosting and operating events Launching online videos 	<ul style="list-style-type: none"> Providing interactive creative management tools Recommending suitable templates through our algorithm recommendation Providing operational data management 	<ul style="list-style-type: none"> Providing advertising strategies and advertisement placement plans Designing advertising contents and materials Producing or engaging third party service providers to produce the advertising materials Procuring online channels and placing of advertisements Overseeing the implementation of advertisement plan Evaluating the effects of the advertisements 	<ul style="list-style-type: none"> Providing event planning services Formulating master schedule and detailed work plans Promoting the events Coordinating with parties involved in the events Procuring supplies and engaging third parties service providers if necessary according to work plans Fine-tuning work plans Overseeing and managing the events 	<ul style="list-style-type: none"> Providing advertising strategies and advertisement placement plans Designing advertising contents and materials Producing or engaging third party service providers to produce the advertising materials Procuring traditional advertising channels and placing of advertisements Overseeing the implementation of advertisement plan
Main Marketing Channels	<ul style="list-style-type: none"> Online media channel Traditional advertising channels Offline events 	<ul style="list-style-type: none"> Online media channel Screens in offline stores 		<ul style="list-style-type: none"> Offline events 	<ul style="list-style-type: none"> Traditional advertising channels

BUSINESS

	Content Marketing	SaaS Interactive Marketing	Digital Marketing	Public Relations Event Planning	Media Advertising
Major Income Sources	<ul style="list-style-type: none"> Sponsorship fees 	<ul style="list-style-type: none"> Subscription fees and specialised and customisation product fees 	<ul style="list-style-type: none"> Advertising service fees 	<ul style="list-style-type: none"> Event planning service fees 	<ul style="list-style-type: none"> Advertising service fees
Range of service fees	From RMB280,000 to RMB26 million per project	<p>(i) Subscription basis: A three-tier subscription plan of RMB3,500, RMB8,888 and RMB25,888;</p> <p>(ii) Customized project basis: From RMB20,000 to RMB150,000</p>	From RMB1,100 to RMB16 million per project	From RMB8,600 to RMB5 million per project	From RMB150,000 to RMB12 million per project
Major Types of Expenses	<ul style="list-style-type: none"> Media advertising resources costs Production costs 	Technical service expenses	Media advertising resources costs	Production costs	Media advertising resources costs
Examples of Main Customers	HongXing Erke* (鴻星爾克) Panpan* (盼盼) Hanhoo (韓后) Hengan* (恒安) Gold Crown* (金冠) Labixiaoxin Snacks* (樂華小新 休閒食品)	HongXing Erke* (鴻星爾克) Panpan* (盼盼)	Joeone Little Raccoon 361 Degree HongXing Erke* (鴻星爾克)	Tsingtao Douyin Rookie Jeep	Watsons
Major Types of Suppliers	<ul style="list-style-type: none"> IP content provider Media advertising suppliers Suppliers providing performance services Suppliers of materials and props 	<ul style="list-style-type: none"> Suppliers of technical services Suppliers of content 	<ul style="list-style-type: none"> Media advertising suppliers Suppliers providing production services 	<ul style="list-style-type: none"> Suppliers of materials and props Talent agent 	<ul style="list-style-type: none"> Media advertising suppliers

BUSINESS

OUR OPERATION PROCESS

Content Marketing

The project cycle for a typical content marketing project typically ranges from within one month to 10 months. The diagram below illustrates the key steps typically undertaken by us in content marketing projects:



Identification of Target Consumer Groups of our Customers and Selection or Design of IP Contents

We conduct market research to identify the target consumer groups of our customers and conduct analysis of the relevant consumer groups to identify their preferences and demand. We also conduct market analysis to look for potential market fragments for opportunities to develop new content marketing projects. For example, from our market research, we identified that children aged three to six and their parents to be the target consumer group of some of our sports brand customers. We then conducted further research on the market and found there was a general lack of sports marketing events which focus on this consumer group. As such, we developed our self owned IP content, namely ABC Kids Planet Race* (小馬星球), and successfully launched several content marketing projects utilising such IP content to capture the marketing opportunities in children's sports market.

BUSINESS

Once we have identified the preferences and demands of the targeted consumer groups of our customers, we would look into existing IP resources in the market to source suitable IP contents or our design team will begin developing and designing our own IP contents for the projects. When sourcing for IP contents, we generally consider a variety of factors such as popularity of the IP contents, the expected number of participants at the events, and the exposure of the projects. Prior to approaching our customers for pitching of the sponsorship proposals, we would conduct preliminary discussion with the selected IP owners or operators to explore potential business cooperation opportunities with them.

Due to our project planning, design, operation and execution capabilities, IP contents providers may approach us to assist them to commercialise their IP contents through content marketing projects. We will review the IP contents and/or projects in detail and if we believe there are good marketing potentials, we will prepare sponsorship proposals for pitching to our customers.

We conduct assessment on our content marketing projects when preparing sponsorship proposals for pitching to our customers. In our assessment, we would consider various factors such as expected number of participants to attend the events, the popularity of the IP contents, the location of the events, the form, duration and cost of online advertisements, the online channel to be used for the advertisements, the location which the online advertisements are targeted and the cost of acquisition of the marketing rights of the projects (for third party IP content marketing projects) or the cost of development of our IP contents (for self owned IP content marketing projects). We also would refer to other similar projects with similar scale in the industry and our past experience in similar projects. From our assessment of the projects, we then formulate the sponsorship proposals for the different tiers of sponsorship for the projects.

Pitching our Customers and Negotiation of Sponsorship Proposals

After selection of third party owned IP contents or development of our self owned IP contents for the relevant projects, we will approach a number of our selected customers and provide them with sponsorship proposals and negotiate with them on the terms of sponsorship. From the feedbacks from our customers, we continue to revise and optimise the sponsorship proposals to better suit our customers' needs. If we have received sufficient indication of interest from our customers, we will then proceed to acquire the marketing rights for third party IP content marketing projects or to further develop our self owned IP content marketing projects tailored to the needs of our customers. If the responses from our customers are not satisfactory, the projects will be terminated at the initial stage.

BUSINESS

Acquiring Marketing Rights for Third Party IP Content Marketing Projects and Execution of Sponsorship Agreements with our Customers

For third party IP content marketing projects, we will discuss with the third party IP contents owners or operators the requests of our customers and further negotiate with the third party IP contents owners or operators in obtaining the marketing rights to the projects. If we are able to successfully acquire the marketing rights, we will conduct further business negotiations with our customers who have indicated their interests in the projects during our pitching and execute sponsorship agreements with them for the projects.

Designing and Creating Marketing Contents and Materials and Promoting the Projects

After executing sponsorship agreements with our customers for the projects, we will design and create the marketing contents and materials, and incorporate our customers' brands into the marketing contents and materials according to the entitlements attached to their acquired sponsorship plans. In some cases, we are only responsible for ensuring our customers' brands being integrated and incorporated in the marketing content materials in accordance with the sponsoring entitlements that they have acquired. We will further optimise and improve the marketing contents and materials through ongoing discussion and communication with our customers to ensure those would meet their expectations. After the production of the marketing contents and materials, we will begin promoting the projects on various channels in many different forms such as pictures, press releases, posters, videos, H5 and feature pages.

Implementation of Sponsorship Entitlements and Hosting of Events and/or Launching of Online Videos

We conduct advertising on online and/or traditional advertising channels for our content marketing projects and are responsible for ensuring the brands of our customers are incorporated in the marketing contents according to their sponsorship plans. For event content marketing projects, we generally would be responsible for venue set up, participants invitation and management, hosting of the events and overall management of the events. In respect of hosting of the events, we generally engage third party suppliers and contractors to assist with the projects but we are responsible for overseeing the implementation of the events by these suppliers and contractors. For digital content marketing projects, we generally would be responsible for creating or engaging third party to create online videos and the launching of the videos.

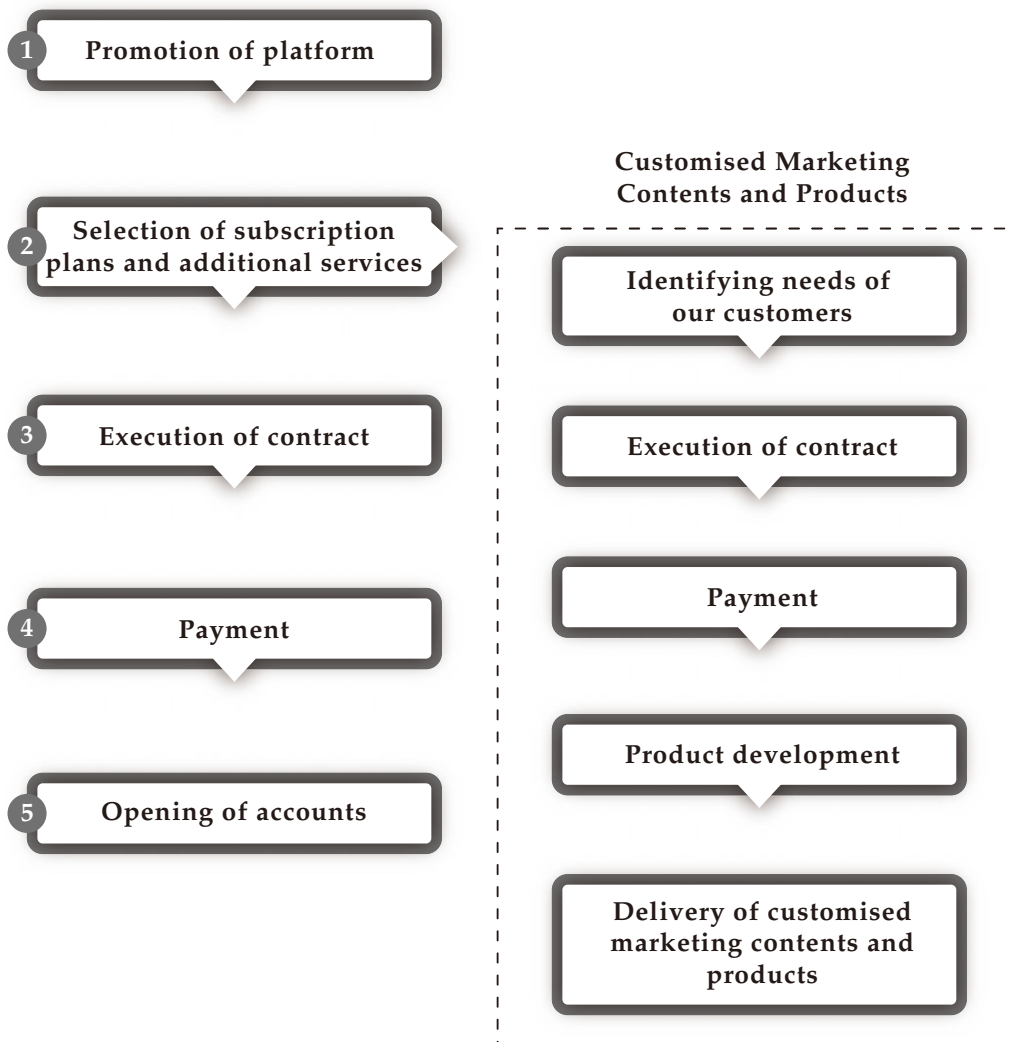
BUSINESS

Project Reports

We record the whole process of the project including the activities and particulars at the event to online marketing contents and dissemination. We prepare project reports to our customers with details of the implementation of their sponsorship entitlements according to the sponsorship agreements, as well as details of the results of the events (such as number of participants attended the events and total online exposures).

SaaS Interactive Marketing

Below diagram illustrates the key steps typically involved in our SaaS interactive marketing services:



BUSINESS

Promotion of Platform

We promote our Content Engine platform to our customers through our own direct sales force and SaaS agents. For promotion through our own direct sales force, after our prospective customers have expressed an interest in our platform, we would follow up with them or through their designated advertising companies to solicit them to subscribe to our platform. For promotion through our SaaS agents, they are responsible for following up with the users and soliciting them to subscribe to our platform.

Execution of Contract and Subscription

If our prospective customers agreed to subscribe to our platform, we will execute a customers contract with them. They are required to make prepayments to top up their accounts which will be used to settle the subscription fees and any additional fees for additional services on our Content Engine platform. For our arrangement with SaaS agents, please refer to the sections headed "Business — Our Integrated Marketing Solutions — SaaS Interactive Marketing — Sales Channel" and "Business — Our Customers — General Contract Terms with Customers" in this document for further information.

Usage of Platform and Customisation

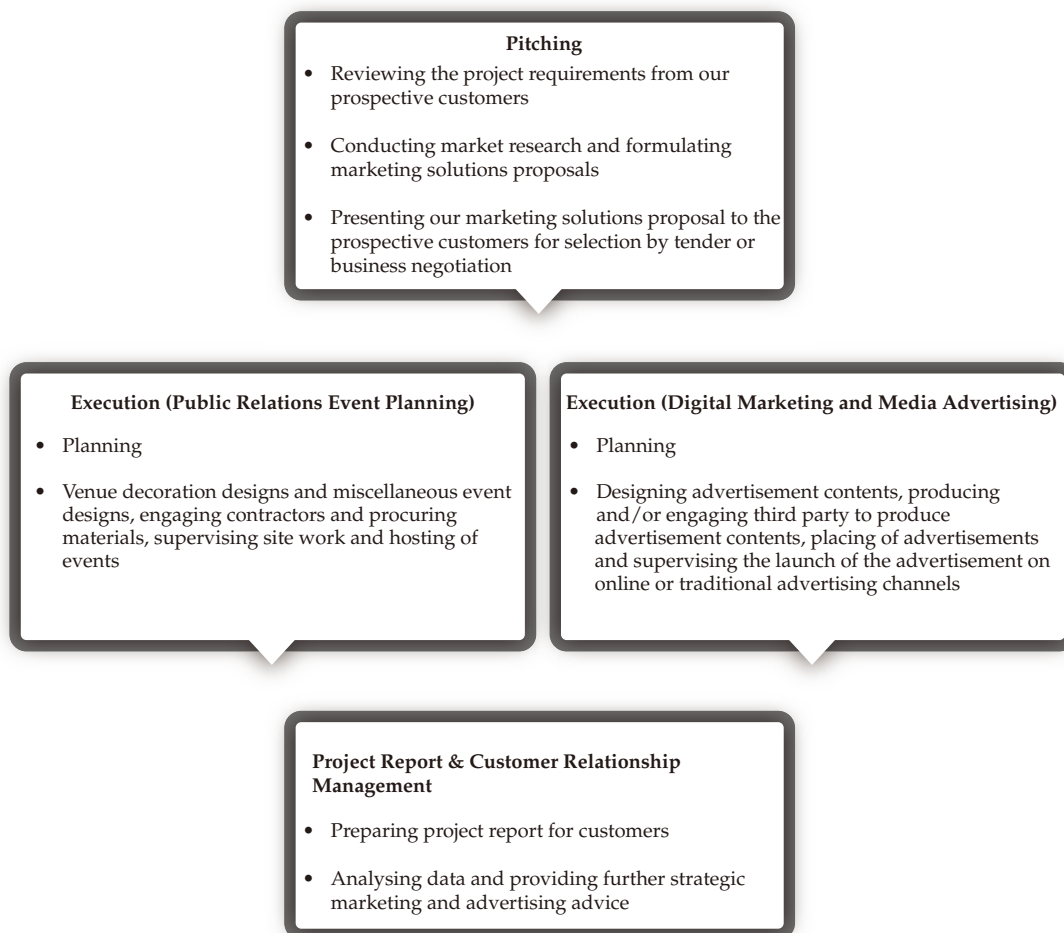
After having subscribed to our platform, they can create an account and start using the interactive marketing templates and other marketing tools available on our platform for their specific marketing needs. We can also provide customised marketing contents and materials to our customers for additional fees. They can provide us with their requests and we will then develop the products according to their specifications. They will be granted exclusive use of the customised marketing contents and materials for a period of time and upon the expiration of the exclusive period, the marketing contents and materials will be released on our Content Engine platform.

For our SaaS agents, we would open a SaaS agent account on our Content Engine for each of them and they can set up standard user accounts for each of their users. After the standard user accounts are set up, the users can utilise our Content Engine platform in a similar manner as our other SaaS interactive marketing services customers we acquired through our direct sales force depending on the subscription plan subscribed by the users.

BUSINESS

Digital Marketing, Public Relations Event Planning and Media Advertising

As set out in the below diagram, our operation process for digital marketing, public relations event planning and media advertising projects can be largely divided into three phases: (i) pitching, (ii) execution and (iii) project reports and customer relationship management.



Pitching

Generally speaking, the pitching phase refers to the period when we prepare a presentation to the prospective customers until we are engaged by them for our tailor-made marketing solutions. The process typically involves (i) reviewing the project requirements from the prospective customers; (ii) conducting market research and formulating competitive marketing solution proposals and fee quotations; and (iii) presenting our proposals and fee quotations to the prospective customers through tender or business negotiation.

When we prepare proposals and/or quotations for prospective customers, we typically take into consideration of the requests and key performance indicators provided by them in their project requirements documents. Our senior management will evaluate the prospective projects and assign suitable staff to form a designated team for each

BUSINESS

project. In evaluating the projects, we generally consider, among other factors, the following: (i) purpose of the projects; (ii) customers' expectation; (iii) the nature and scale of the projects and technical specifications; (iv) the availability of our resources; and (v) special difficulties of the projects.

After our internal assessment and evaluation of the projects, our project team will then arrange for the formulation of marketing solutions proposals. Normally, the formulation process will involve, among others, (i) researching on similar projects; (ii) seeking our suppliers feedback regarding their capacity and obtaining fee quotations; (iii) obtaining feedback from prospective customers and understanding of their preferences; (iv) producing designs and drawings for our prospective customers' review; and (v) preparing the advertising plan or public relations event plan.

Based on the preliminary fee quotations provided by our suppliers and our estimation on our cost to be incurred, our project team will prepare a fee quotation in accordance with our cost-plus pricing policy for approval by our management. For details of our Group's pricing strategies, please refer to the paragraph headed "— Pricing Strategies" in this section of this document.

We may submit our marketing solutions proposals by tender or by direct business negotiation with our prospective customers depending on the their requirements. Upon submission of our marketing solutions proposals, we may receive additional queries on various aspects from our prospective customers. The project team will prepare responses to such queries and modify the marketing solutions. If our marketing solutions proposals are selected, we would proceed to enter into agreements with our prospective customers.

Execution

Generally speaking, the execution phase refers to the period when we carry out the scope of work contained in the agreements. For public relations event planning, execution phase comprises of the preparation and the hosting of the event. For digital marketing and media advertising, execution phase comprises of the designing of the advertising contents and materials, placing of the advertisements and the launching of the advertisements on online channels or traditional advertising channels. Set out below are some features of our operation process in the execution phase for public relations event planning projects and digital marketing and media advertising projects.

Public Relations Event Planning Projects

Our project team will prepare a master schedule setting out key project milestone dates for the purpose of monitoring the project implementation and devising detailed and actionable plans on various aspects of the works to be carried out. We will generally assist in selection and design of the venue and will provide draft designs for our customers' review and approval. As part of our work scope, we are generally responsible for liaising with various parties of the projects including, among others, the contractors for venue set up services, performance services, and media services and the suppliers of event materials and venue such as props, equipment rentals, and venue rental. Our project team is also responsible for the management and coordination of the overall implementation of the projects. We will monitor the workmanship, quality and safety of the on-site activities of contractors to ensure that the site works are in accordance with the design specifications and the master schedule.

BUSINESS

On the day of event, we will assist our customers to launch the event. Our project team will closely monitor the events so that they are carried out as planned. Our project team will be in charge of, among others, the overall event logistics, deciding on contingency changes, internal and external communication and personnel management, stage supervision and handling external guests' requests.

Digital Marketing and Media Advertising Projects

Based on the scope of work agreed with our customers, we may design the advertising contents and materials such as graphics and videos in accordance with our customers' requirements for their consideration. They may provide feedback on the advertising contents and materials and we will try to accommodate their requests and modify the design of the advertising contents and materials. Depending on the complexity of the advertising contents and materials, we may produce or may engage third party service providers to produce the advertising contents and materials.

After the advertising contents and materials have been produced, we will assist our customers to place the advertisements to the online advertising channels or the agents of the relevant online or traditional advertising channels in accordance with the agreements with our customers. For digital marketing projects, we typically assist our customers to place the advertisements on online social media platforms, video platforms, and other online channels. For media advertising projects, we typically assist our customers to place the advertisements on traditional advertising channels such as television and outdoor public advertising resources (such as buses and trains, elevators, and public transport stations).

Project Reports and Customer Relationship Management

After completion of the event or publication of the advertisements, we will prepare a report for our customers which may record and feature the event highlights and details of the advertisement placement and certain data (such as the total exposure of the online advertisements and rate of clicks of the advertisements). We may also provide further follow up marketing and advertising strategic advice to our customers through analysis of those data.

We value our customers' feedback and their project experience with us. During the course of the projects, our project team is responsible for the day-to-day relationship management with our customers and will address their requests and concerns as required. We also send project completion confirmation to our customers for them to confirm all the services stipulated in the relevant agreements have been completed.

OUR PROJECTS

Summary of Top 10 Projects

The following table sets out details of our top 10 projects in terms of revenue in each of the respective period during the Track Record Period.

BUSINESS

2019

Ranking	Type of services we provided in the project	Number of customers (in case of content marketing projects)	Project brief description	Number of days of event (in case of content marketing projects)	Number of event content marketing projects ^(b)	Approximate number of total participants (in case of event content marketing projects) ^(b)	Approximate average number of participants per day of event (in case of content marketing projects)	Approximate number of views (in case of content marketing projects) ^(b) ('000)	Date of event (in case of event content marketing projects)	Revenue recognised for 2019 (RMB'000)	Total cost incurred for 2019 (RMB'000)	Gross profit margin %
1	Content marketing	14	Children sports event	8	81,000	10,000	208,000	June - December 2019	23,060	13,915	39.7	
2	Content marketing	4	Music festival	2	40,000	20,000	853,000	December 2019	18,113	12,316	32.0	
3	Content marketing	7	Fashion show	4	80,000	20,000	371,000	December 2019	17,287	10,736	37.9	
4	Content marketing	4	Fashion show	3	30,000	10,000	135,000	March 2019	14,623	8,986	38.5	
5	Content marketing	3	Street dancing competition	8	70,000	8,800	154,000	May - June 2019	14,151	10,118	28.5	
6	Content marketing	5	Fashion show	6	60,000	10,000	472,000	September 2019	14,125	9,796	30.6	
7	Content marketing	3	Street dancing competition	10	70,000	7,000	151,000	October - November 2019	13,208	9,047	31.5	
8	Media advertising	N/A	Escalator advertising	N/A	N/A	N/A	N/A	N/A	11,356	10,466	7.8	
9	Content marketing	3	Music festival	11	72,000	6,500	140,000	October - December 2019	9,906	6,611	33.3	
10	Content marketing	3	Marathon	1	61,000	61,000	425,000	December 2019	9,906	5,828	41.2	

BUSINESS

Notes:

- (1) Number of participants of event content marketing projects includes the number of participants who attended the event and number of public traffic reached or exposed (in case of an outdoor event) at the time of the event hosted. As advised by Frost & Sullivan, the methodology used in counting the number of participants are in line with market practice. We engaged external third party company to assist with the collection of such data and the number of participants in the table is with reference to the data provided by such third party company.
- (2) The number of views is gathered based on the rate of exposures from multimedia placement for the particular content marketing project. We engaged external third party company to assist with the collection of views of our content marketing projects and the number of views in the table is with reference to the data provided by such third party company.

BUSINESS

2020

Ranking	Type of services we provided in the project	Number of customers (in case of content marketing projects)	Project brief description	Number of days of event (in case of content marketing projects)	Number of event content marketing projects ^(a)	Approximate number of total participants (in case of event content marketing projects) ^(b)	Approximate average number of participants per day of event (in case of content marketing projects)	Approximate number of views (in case of content marketing projects) ^(c)	Date of event (in case of event content marketing projects)	Revenue recognised for 2020 (RMB'000)	Total cost incurred for 2020 (RMB'000)	Gross profit margin %
1	Content marketing	4	Children sports event	14	14	91,000	6,500	249,000	November – December 2020	16,745	14,946	10.7 ⁽⁶⁾
2	Digital marketing	N/A	Digital media advertising	N/A	N/A	N/A	N/A	N/A	N/A	15,387	15,428	-0.3 ⁽⁴⁾
3	Content marketing	7	Music festival	1	1	5,000	5,000	366,000	June 2020	14,340	9,383	34.6
4	Content marketing	3	Xiamen city marketing campaign	1	1	3,000	3,000	414,000	July 2020	13,019	8,805	32.4
5	Content marketing	6	Fashion show	4	4	60,000	15,000	224,000	August – September 2020	12,292	9,055	26.3
6	Content marketing	5	Street dancing competition	6	6	20,000	3,300	239,000	June – December 2020	12,075	7,983	33.9
7	Content marketing	7	Fashion show	4	4	80,000	20,000	186,000	December 2020	10,981	11,481	-4.5 ⁽⁵⁾
8	Content marketing	4	Hip Hop festival	24	24	48,000	2,000	138,000	June – December 2020	9,292	6,228	33.0
9	Content marketing	4	Children event	8	8	71,000	8,900	211,000	July 2020 – July 2021 ⁽⁶⁾	8,770	6,683	23.8
10	Content marketing	3	Marathon	1	1	30,000	30,000	127,000	December 2020	8,396	5,625	33.0

BUSINESS

Notes:

- (1) Number of participants of event content marketing projects includes the number of participants who attended the event and number of public traffic reached or exposed (in case of an outdoor event) at the time of the event hosted. As advised by Frost & Sullivan, the methodology used in counting the number of participants are in line with market practice. We engaged external third party company to assist with the collection of such data and the number of participants in the table is with reference to the data provided by such third party company.
- (2) The number of views is gathered based on the rate of exposures from multimedia placement for the particular content marketing project. We engaged external third party company to assist with the collection of views of our content marketing projects and the number of views in the table is with reference to the data provided by such third party company.
- (3) Project 1 for 2020 recorded a lower gross profit margin of 10.7%. It was mainly because the project relied primarily on offline events, and two of our sponsoring customers decided not to proceed with the sponsorship of the project after we have incurred certain costs in the project as planned.
- (4) Project 2 for 2020 recorded a negative gross profit margin of -0.3%, as we entered into a one year cooperation agreement with a leading online media company in 2020 where we would receive greater discounts when we met the agreed sales target and we sold the advertisement resources of such online media channel to customer for Project 2. However, as the demand for this media channel from our customers was below expectation, we did not enjoy the discount we anticipated and thereby led to a gross loss in Project 2.
- (5) Project 7 for 2020 recorded a negative gross profit margin of -4.5%. It was mainly because the project relied primarily on offline events, and two of our sponsoring customers decided not to proceed with the sponsorship of the project after we have incurred certain costs in the project as planned.
- (6) Project 9 for 2020 had a total of eight individual events. Seven of the eight individual events were held between July 2020 to January 2021, with the remaining one held in July 2021 as a result of delay due to COVID-19.

BUSINESS

2021

Ranking	Type of services we provided in the project	Number of customers	Project brief description	Number of days of event (in case of content marketing projects)	Number of event content marketing projects ^(a)	Approximate number of total participants (in case of event content marketing projects)	Approximate average number of participants per day of event (in case of content marketing projects)	Approximate number of views (in case of content marketing projects) ^(b)	Date of event (in case of event content marketing projects)	Revenue recognised for 2021 (RMB'000)	Total cost incurred for 2021 (RMB'000)	Gross profit margin %
1	Content marketing	10	Children sports event	15	82,000	5,500	250,000	June – October 2021	24,104	15,226	36.8	
2	Content marketing	4	Music festival	16 ^(c)	92,000	5,700	346,000	May – July 2021	19,245	12,512	35.0	
3	Content marketing	4	Street dancing competition	9	21,000	2,300	247,000	October – December 2021	16,792	10,762	35.9	
4	Content marketing	4	Concert	10	13,000	1,300	391,000	June – September 2021	15,849	10,701	32.5	
5	Content marketing	5	Street dancing event	9	71,000	7,900	276,000	August – November 2021	13,962	9,542	31.7	
6	Content marketing	4	Children online sports teaching event	N/A ⁽⁴⁾	N/A ⁽⁴⁾	N/A ⁽⁴⁾	112,000	N/A ⁽⁴⁾	11,415	7,712	32.4	
7	Content marketing	4	Hip hop event	28	56,000	2,000	227,000	June – October 2021	11,038	7,188	34.9	
8	Content marketing	4	Music festival	1	1,000	1,000	268,000	June 2021	9,245	6,124	33.8	
9	Content marketing	3	Online dancing teaching event	N/A ⁽⁴⁾	N/A ⁽⁴⁾	N/A ⁽⁴⁾	180,000	N/A ⁽⁴⁾	9,198	6,001	34.8	
10	Content marketing	4	Night running event	1	15,000	15,000	193,000	September 2021	8,915	5,931	33.5	

BUSINESS

Notes:

- (1) Number of participants of event content marketing projects includes the number of participants who attended the event and number of public traffic reached or exposed (in case of an outdoor event) at the time of the event hosted. As advised by Frost & Sullivan, the methodology used in counting the number of participants are in line with market practice. We engaged external third party company to assist with the collection of such data and the number of participants in the table is with reference to the data provided by such third party company.
- (2) The number of views is gathered based on the rate of exposures from multimedia placement for the particular content marketing project. We engaged external third party company to assist with the collection of views of our content marketing projects and the number of views in the table is with reference to the data provided by such third party company.
- (3) There were 16 individual offline events and one online streaming video for this project.
- (4) These were digital content marketing projects.

BUSINESS

4M2022

Ranking	Type of services we provided in the project	Number of customers	Project brief description	Number of days of event (in case of content marketing projects)	Approximate number of total participants (in case of event content marketing projects) ⁽¹⁾	Approximate average number of participants per day of event (in case of content marketing projects)	Approximate number of views (in case of content marketing projects) ⁽²⁾ ('000)	Date of event (in case of event content marketing projects)	Revenue recognised for 4M2022 (RMB'000)	Total cost incurred for 4M2022 (RMB'000)	Gross profit margin %
1	Content marketing	4	Fashion show	6	71,000	12,000	151,000	December 2021 – January 2022	11,698	7,887	32.6
2	Content marketing	4	Fashion show	1	41,000	41,000	211,000	December 2021	10,283	6,853	33.4
3	Content marketing	3	Online dancing teaching event	N/A ⁽³⁾	N/A ⁽³⁾	N/A ⁽³⁾	98,000	March – April 2022	9,198	6,024	34.5
4	Content marketing	4	Children kart racing event	2	10,000	5,000	219,000	January 2022	8,443	5,615	33.5
5	Content marketing	4	Children sports event	2	81,000	40,000	159,000	December 2021	8,302	5,943	28.4
6	Content marketing	4	Children online sports teaching event	N/A ⁽³⁾	N/A ⁽³⁾	N/A ⁽³⁾	N/A ⁽⁴⁾	N/A ⁽⁴⁾	8,113	5,496	32.3
7	Content marketing	3	Xiamen city marketing campaign	N/A ⁽³⁾	N/A ⁽³⁾	N/A ⁽³⁾	151,000	N/A ⁽³⁾	7,642	5,303	30.6
8	Content marketing	2	Online street dancing teaching event	N/A ⁽³⁾	N/A ⁽³⁾	N/A ⁽³⁾	91,000	N/A ⁽³⁾	7,075	4,582	35.2
9	Content marketing	3	Online sports and exercise teaching event	N/A ⁽³⁾	N/A ⁽³⁾	N/A ⁽³⁾	109,000	N/A ⁽³⁾	6,132	4,113	32.9
10	Content marketing	3	Animated film discussion forum	1	2,600	2,600	182,000	December 2021 – January 2022	5,660	3,728	34.1

BUSINESS

Notes:

- (1) Number of participants of event content marketing projects includes the number of participants who attended the event and number of public traffic reached or exposed (in case of an outdoor event) at the time of the event hosted. As advised by Frost & Sullivan, the methodology used in counting the number of participants are in line with market practice. We engaged external third party company to assist with the collection of such data and the number of participants in the table is with reference to the data provided by such third party company.
- (2) The number of views is gathered based on the rate of exposures from multimedia placement for the particular content marketing project. We engaged external third party company to assist with the collection of views of our content marketing projects and the number of views in the table is with reference to the data provided by such third party company.
- (3) These were digital content marketing projects.
- (4) Project 6 for 4M2022 had not been completed as at the Latest Practicable Date.

BUSINESS

We had a total of one, nine and two loss-making projects for 2019, 2020 and 2021, respectively. We had no loss-making project for 4M2022.

The one loss-making project in 2019 was from digital marketing, which was primarily due to a higher cost incurred in order to enter into a cooperation with a well known online media channel; but the demand from our customers in promoting through such online media channel as reflected in the corresponding revenue recognised was much lower than estimated. Our total gross loss recognised for 2019 for our loss-making project in 2019 was RMB25,000.

The nine loss-making projects in 2020 primarily consisted of (i) three content marketing projects and (ii) six digital marketing projects. The losses recorded on the three content marketing projects were primarily due to the various lockdown restrictions during COVID-19 outbreak in the PRC, which negatively affected our content marketing projects and resulted in the reduction of sponsorship from customers for the corresponding content marketing projects hosted while we incurred relevant costs as scheduled and planned. With respect to the six loss-making digital marketing projects in 2020, five of which related to the cooperation arrangement with the online media channel mentioned above. Although the expected demand from our customers in promoting through such online media channel in 2019 was lower than our initial estimation, we decided to continue our cooperation with them in 2020 given that the cooperation period with this channel was only for a short period of time in 2019 and this channel is a well-known and popular online media channel in the PRC and we wanted to thoroughly explore the cooperation with this channel in 2020. The other loss-making digital marketing project in 2019 was primarily due to the additional employee costs incurred for the operation of the relevant digital marketing project while the amount of revenue recognised was much lower than estimated. Our total gross loss recognised for 2020 for our loss-making projects in 2020 was RMB5.0 million, which was primarily attributable to our three loss-making content marketing projects which in aggregate accounted for approximately 98.5% of our total gross loss recognised for 2020 for our loss-making projects in 2020.

For 2021, we recorded two loss-making digital projects, one of which related to the cooperation arrangement with the online media channel mentioned above. Despite our efforts to step up the cooperation and to further promote this channel to our customers with greater discounts in order to attract more customers to use this channel, such channel continued to fall short of our expectation. We therefore decided to discontinue the cooperation with such online media channel in 2021 once our cooperation agreement with them expired. The other loss-making digital marketing project in 2021 was primarily due to a change in cooperation policy by the online media channel associated with this project, which attributed to a higher cost incurred for the project. Our total gross loss recognised for 2021 for our loss-making projects in 2021 was RMB30,000.

BUSINESS

We have put in place a number of project control measures to minimise the risk of loss-making from projects, including (i) discontinue the digital marketing contract in relation to the cooperation with the relevant online media channel; (ii) strengthen our contract management and provisions in our contracts, such as including prohibitive or penalty provisions in the contract in order to deter customers from canceling the project; (iii) enhance our negotiation ability with other customers in order to achieve better terms; (iv) strengthen our operations and project management control in order to improve the revenue generated for each project; and (v) enhance our cost control measures where we will regularly review and manage the expected cost to be incurred for each project.

Projects by project basis and subscription basis

The proportion of our revenue generated on a project basis accounted for approximately 100.0%, 100.0%, 97.0% and 99.6% for 2019, 2020, 2021 and 4M2022, respectively.

The proportion of our revenue generated on a subscription basis accounted for approximately nil, nil, 3.0% and 0.4% for 2019, 2020, 2021 and 4M2022, respectively.

The following table sets forth the breakdown of the total and outstanding contract sum by business service types for our marketing service business for the periods indicated:

	For the year ended 31 December			For the four months ended 30 April 2022	Since 1 May 2022 and up to the Latest Practicable Date
	2019	2020	2021		
	<i>(RMB million)</i>				<i>(unaudited)</i>
Outstanding aggregate contract sum at the beginning of the year/period					
Content marketing	–	14.3	17.7	52.0	73.3
SaaS interactive marketing	–	–	–	3.2	6.4
Digital marketing	6.0	16.6	51.0	4.7	33.5
Public relations event planning	3.4	11.9	4.8	1.1	0.8
Media advertising	15.6	6.3	3.4	20.7	4.5
	25.0	49.1	76.9	81.7	118.5
Total	25.0	49.1	76.9	81.7	118.5

BUSINESS

	For the year ended 31 December			For the four months ended 30 April 2022	Since 1 May 2022 and up to the Latest Practicable Date
	2019	2020	2021		
	<i>(RMB million)</i>				<i>(unaudited)</i>
Add: Net contract sum of contracts awarded/terminated during the year/period					
Content marketing	263.5	181.4	222.5	103.8	18.0
SaaS interactive marketing	–	–	13.8	12.2	11.8
Digital marketing	73.6	107.5	41.6	53.8	23.8
Public relations event planning	51.4	32.3	21.7	3.5	8.1
Media advertising	26.7	14.9	58.5	7.3	3.2
Total	415.2	336.1	358.1	180.6	64.9
Less: Revenue recognised during the year/period					
Content marketing	249.2	178.0	188.2	82.5	20.1
SaaS interactive marketing	–	–	10.6	9.0	7.6
Digital marketing	63.0	73.1	87.9	25.0	22.7
Public relations event planning	42.9	39.4	25.4	3.8	1.8
Media advertising	36.0	17.8	41.2	23.5	2.3
Total	391.1	308.3	353.3	143.8	54.5
Outstanding aggregate contract sum at the end of the year/period					
Content marketing	14.3	17.7	52.0	73.3	71.2
SaaS interactive marketing	–	–	3.2	6.4	10.6
Digital marketing	16.6	51.0	4.7	33.5	34.6
Public relations event planning	11.9	4.8	1.1	0.8	7.1
Media advertising	6.3	3.4	20.7	4.5	5.4
Total	49.1	76.9	81.7	118.5	128.9

As the nature of the our business and projects are short-term, most of the outstanding contract sum for each segment of our business as at the Latest Practicable Date is expected to be recognised in 2022. For details of our revenue recognition of each of our business segments, please refer to the section headed “Financial Information — Key Components of Our Consolidated Statements of Profit or Loss — Revenue” in this document.

BUSINESS

The following table sets forth the breakdown of the number of projects by business service types for our marketing service business for the periods indicated:

	For the year ended 31 December			For the four months ended 30 April 2022	Since 1 May 2022 and up to the Latest Practicable Date
	2019	2020	2021		
Number of projects brought forward from the previous year/period					
Content marketing	1	5	4	6	5
SaaS interactive marketing	0	0	0	55	53
Digital marketing	8	14	34	1	18
Public relations event planning	4	14	8	2	4
Media advertising	9	12	7	23	8
Total	<u>22</u>	<u>45</u>	<u>53</u>	<u>87</u>	<u>88</u>
Add: Number of projects awarded during the year/period					
Content marketing	32	34	25	7	4
SaaS interactive marketing	0	0	179	95	96
Digital marketing	74	93	40	18	12
Public relations event planning	66	55	42	16	8
Media advertising	17	23	31	4	2
Total	<u>189</u>	<u>205</u>	<u>317</u>	<u>140</u>	<u>122</u>
Less: Number of projects completed during the year/period					
Content marketing	28	24	19	8	1
SaaS interactive marketing	0	0	124	97	80
Digital marketing	68	71	73	1	7
Public relations event planning	56	57	48	14	7
Media advertising	14	23	15	19	1
Total	<u>166</u>	<u>175</u>	<u>279</u>	<u>139</u>	<u>96</u>

BUSINESS

	For the year ended 31 December			For the four months ended 30 April 2022	Since 1 May 2022 and up to the Latest Practicable Date
	2019	2020	2021		
Less: Number of projects cancelled during the year/period					
Content marketing	0	11	4	0	0
SaaS interactive marketing	0	0	0	0	0
Digital marketing	0	2	0	0	0
Public relations event planning	0	4	0	0	0
Media advertising	0	5	0	0	0
	0	22	4	0	0
Number of projects brought forward to the next year/period					
Content marketing	5	4	6	5	8
SaaS interactive marketing	0	0	55	53	69
Digital marketing	14	34	1	18	23
Public relations event planning	14	8	2	4	5
Media advertising	12	7	23	8	9
	45	53	87	88	114

OUR CUSTOMERS

During the Track Record Period, our customers for integrated marketing solutions services mainly included enterprises from the fast moving consumer goods and footwear and apparel (including sports brands) industries. Our integrated marketing solutions services projects (excluding annual subscription services for our SaaS interactive marketing services) with our customers are primarily through fee quotation or tender.

Our Group provides each type of integrated marketing solutions services in accordance with the relevant scope of services and service fees specified in the corresponding agreements. Most of our customers assess our performance mainly based on whether we have fulfilled all the requirements as set out in the scope of work in the agreements with our customers.

During each period of the Track Record Period, revenue generated from repeating customers accounted for approximately 89.4%, 87.4%, 83.6% and 93.8% of our total revenue of each respective period.

BUSINESS

Five Largest Customers

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

The table below sets forth our five largest customers during the Track Record Period:

2019

Ranking	Customer	Ultimate beneficial owners ⁽ⁱ⁾⁽²⁾	Background ⁽¹⁾	Location of registered office ⁽¹⁾	Customer's main operating industry ⁽¹⁾	Approximate registered capital ⁽¹⁾ ('000)	Type of services we provided	Credit period (days)	Settlement information	Approximate length of business relationship with our Group (years)	Revenue recognised (RMB'000)	Percentage of total revenue (%)
1	Fujian Hongxing Erke Sports Equipment Co., Ltd.* (福建鴻星爾克體育用品有限公司) ("Fujian Hongxing Erke")	Wu Rongzhao* (吳榮鵬) ⁽³⁾	A private company focusing on production and sale of footwear and apparel products	Quanzhou City, Fujian Province	Footwear and apparel	USD50,000	(i) Content marketing	180	Bank transfer	4	24,623	6.3
2	Guangzhou Anxin Cosmetics Co., Ltd.* (廣州安欣化妝品股份有限公司)	Wang Guoan* (王國安)	A private company focusing on production and sale of cosmetics products	Guangzhou City, Guangdong Province	Fast moving consumer goods	RMB65,306	(i) Content marketing	180	Bank transfer	4	24,057	6.2
3	Fujian Panpan Food Co., Ltd.* (福建盼盼食品有限公司)	Cai Jinan* (蔡金安)	A private company focusing on production and sale of food and beverages	Jinjiang City, Fujian Province	Fast moving consumer goods	RMB50,000	(i) Content marketing (ii) Digital marketing (iii) Public relations event planning (iv) Media advertising	180	Bank transfer	5	18,800	4.8

BUSINESS

Ranking	Customer	Ultimate beneficial owners ⁽¹⁾⁽²⁾	Background ⁽¹⁾	Location of registered office ⁽¹⁾	Customer's main operating industry ⁽¹⁾	Approximate registered capital ⁽¹⁾ ('000)	Type of services we provided	Credit period information (days)	Settlement information	Approximate length of business relationship with our Group (years)	Revenue recognised (RMB'000)	Percentage of total revenue (%)
4	Jinguan (China) Food Co., Ltd.* (金冠(中國)食品有限公司)	Wu Wentuan (吳文團)	A private company focusing on production and sale of confectionery	Jinjiang City, Fujian Province	Fast moving consumer goods	HKD150,000	(i) Content marketing	180	Bank transfer	5	18,443	4.7
5	Customer A	-	A Hong Kong listed company focusing on production and sale of beverages and confectionery	Bermuda	Fast moving consumer goods	USD250,000	(i) Content marketing (ii) Digital marketing	180	Bank transfer	4	18,208	4.7
TOTAL											104,131	26.6

Notes:

- (1) The information is extracted from or is made reference to public sources.
- (2) Ultimate beneficial owner refers to the ultimate single largest shareholder which is a natural person.
- (3) Information is not available from public sources and this is based on the best knowledge of our Directors. Wu Rongzhao is ultimately interested in approximately 2.2714% of our Shares via his interests in Many Idea Wu Rongzhao Limited as at the Latest Practicable Date.

BUSINESS

2020

Ranking	Customer	Ultimate beneficial owners ⁽¹⁾⁽²⁾	Background ⁽¹⁾	Location of registered office ⁽¹⁾	Customer's main operating industry ⁽¹⁾	Approximate registered capital ⁽¹⁾ ('000)	Type of services we provided	Credit period (days)	Settlement information	Approximate length of business relationship with our Group (years)	Revenue recognised (RMB'000) (%)	Percentage of total revenue
1	Fordoo (China) Industrial Co., Ltd.* (虎都(中國)實業有限公司)	Kwok Kin Sun (郭建新)	A subsidiary of a Hong Kong listed company focusing on design, production and sale of men's apparels	Quanzhou City, Fujian Province	Footwear and apparel	HKD360,000	(i) Content marketing (ii) Digital marketing	180	Bank transfer	8	19,292	6.3
2	Guangzhou Anxin Cosmetics Co., Ltd.* (廣州安欣化妝品股份有限公司)	Wang Guoan* (王國安)	A private company focusing on production and sale of cosmetics products	Guangzhou City, Guangdong Province	Fast moving consumer goods	RMB65,306	(i) Content marketing (ii) Digital marketing	180	Bank transfer	4	17,494	5.7
3	Customer B	-	A Hong Kong listed company focusing on production and sale of baby, maternal and personal care products	Cayman Islands	Fast moving consumer goods	HKD50,000	(i) Content marketing	180	Bank transfer	5	15,864	5.1
4	Fujian Panpan Food Co., Ltd.* (福建盼盼食品有限公司)	Cai Jinan* (蔡金政)	A private company focusing on production and sale of food and beverages	Jinjiang City, Fujian Province	Fast moving consumer goods	RMB50,000	(i) Content marketing (ii) Media advertising	180	Bank transfer	5	15,413	5.0
5	Customer C	-	A private company which belongs to a group of company that focuses on provision of SaaS services	Fujian Pilot Free Trade Zone	Internet platform	RMB50,000	(i) Digital marketing	Prepayment	Bank transfer	2	15,387	5.0
TOTAL											83,450	27.1

Notes:

- (1) The information is extracted from or is made reference to public sources.
- (2) Ultimate beneficial owner refers to the ultimate single largest shareholder which is a natural person.

BUSINESS

2021

Ranking	Customer	Ultimate beneficial owners ^{(1)/(2)}	Background ⁽¹⁾	Location of registered office ⁽¹⁾	Customer's main operating industry ⁽¹⁾	Approximate registered capital ⁽¹⁾ ('000)	Type of services we provided	Credit period (days)	Settlement information	Approximate length of business relationship with our Group (years)	Revenue recognised (RMB'000)	Percentage of total revenue recognised (%)
1	361 Degrees (China) Co., Ltd.* (三六一度(中國)有限公司)	Ding Wuhao (丁伍號)	A subsidiary of a Hong Kong listed company focusing on production and sale of sportswear products	Jinjiang City, Fujian Province	Footwear and apparel	HKD1,068,360	(i) Content marketing (ii) SaaS (iii) Digital marketing (iv) Media advertising (v) Public relations event planning	180	Bank transfer	5	31,334	8.9
2	Guangzhou Anxin Cosmetics Co., Ltd.* (廣州安欣化妝品股份有限公司)	Wang Guoan* (王國安)	A private company focusing on production and sale of cosmetics product	Guangzhou City, Guangdong Province	Fast moving consumer goods	RMB65,306	(i) Content marketing (ii) SaaS (iii) Digital marketing	180	Bank transfer	4	27,696	7.8
3	Customer A	-	A Hong Kong listed company focusing on production and sale of beverages and confectionery	Bermuda	Fast moving consumer goods	USD250,000	(i) Content marketing (ii) SaaS (iii) Digital marketing	180	Bank transfer	4	27,130	7.7

BUSINESS

Ranking	Customer	Ultimate beneficial owners ^{(1)/(2)}	Background ⁽¹⁾	Location of registered office ⁽¹⁾	Customer's main operating industry ⁽¹⁾	Approximate registered capital ⁽¹⁾ ('000)	Type of services we provided	Credit period (days)	Settlement information	Approximate length of business relationship with our Group (years)	Revenue recognised (RMB'000)	Percentage of total revenue (%)
4	Customer B	-	A Hong Kong listed company focusing on production and sale of baby, maternal and personal care products	Cayman Islands	Fast moving consumer goods	HKD50,000	(i) Content marketing (ii) SaaS (iii) Media advertising	180	Bank transfer	5	25,343	7.2
5	Fujian Panpan Food Co., Ltd.* (福建盼盼食品有限公司)	Cai Jinan* (蔡金安)	A private company focusing on production and sale of food and beverages	Jinjiang City, Fujian Province	Fast moving consumer goods	RMB50,000	(i) Content marketing (ii) Media advertising	180	Bank transfer	5	20,304	5.7
TOTAL											131,807	37.3

Notes:

- (1) The information is extracted from or is made reference to public sources.
- (2) Ultimate beneficial owner refers to the ultimate single largest shareholder which is a natural person.

BUSINESS

4M2022

Ranking	Customer	Ultimate beneficial owners ⁽¹⁾⁽²⁾	Background ⁽¹⁾	Location of registered office ⁽¹⁾	Customer's main operating industry ⁽¹⁾	Approximate registered capital ⁽¹⁾ ('000)	Type of services we provided	Credit period (days)	Settlement information	Approximate length of business relationship with our Group (years)	Revenue recognised (RMB '000)	Percentage of total revenue (%)
1	Guangzhou Anxin Cosmetics Co., Ltd.* (廣州安欣化妝品股份有限公司)	Wang Guoan* (王國安)	A private company focusing on production and sale of cosmetics product	Guangzhou City, Guangdong Province	Fast moving consumer goods	RMB65,306	(i) Content marketing (ii) SaaS (iii) Digital marketing (iv) Media advertising	180	Bank transfer	4	16,411	11.4
2	Customer A	-	A Hong Kong listed company focusing on production and sale of beverages and confectionery	Bermuda	Fast moving consumer goods	USD250,000	(i) Content marketing (ii) SaaS (iii) Digital marketing	180	Bank transfer	4	16,239	11.3
3	361 Degrees (China) Co., Ltd.* (三六一度(中國)有限公司)	Ding Wuhao (丁伍號)	A subsidiary of a Hong Kong listed company focusing on production and sale of sportswear products	Jinjiang City, Fujian Province	Footwear and apparel	HKD1,068,360	(i) Content marketing (ii) SaaS (iii) Digital marketing (iv) Media advertising	180	Bank transfer	5	13,855	9.6

BUSINESS

Ranking	Customer	Ultimate beneficial owners ^{(1)/(2)}	Background ⁽¹⁾	Location of registered office ⁽¹⁾	Customer's main operating industry ⁽¹⁾	Approximate registered capital ⁽¹⁾ ('000)	Type of services we provided	Credit period (days)	Settlement information	Approximate length of business relationship with our Group (years)	Revenue recognised (RMB'000)	Percentage of total revenue
4	Customer D	-	A private company focusing on brand management and consultation and TV programme and movie production	Beijing City	Media	RMB10,000	(i) Content marketing (ii) SaaS (iii) Digital marketing (iv) Media advertising	180	Bank transfer	1	11,802	8.2
5	Fujian Panpan Food Co., Ltd.* (福建盼盼食品有限公司)	Cai Jinan* (蔡金坎)	A private company focusing on production and sale of food and beverages	Jinjiang City, Fujian Province	Fast moving consumer goods	RMB50,000	(i) Digital marketing (ii) Media advertising	180	Bank transfer	5	9,125	6.3
TOTAL											67,432	46.9

Notes:

- (1) The information is extracted from or is made reference to public sources.
- (2) Ultimate beneficial owner refers to the ultimate single largest shareholder which is a natural person.

BUSINESS

All of our five largest customers during the Track Record Period are Independent Third Parties, and none of our Directors or their respective close associates or any of our Shareholders holding more than 5% of the issued share capital of our Company had any interest in any of our five largest customers during the Track Record Period.

We have maintained good relationships with our five largest customers and during the Track Record Period, there were no material disputes or claims between our five largest customers and our Group.

General Contract Terms with Customers

The general terms of our service agreements vary based on negotiations with our customers and the types of services we provide. We generally adopt a credit term of 180 days. We are typically engaged by our customers on a project basis and payment by our customers is based on milestone as specified in the agreements.

Terms of our content marketing agreements normally include the following:

- *Payment terms.* Depending on commercial negotiation, typically it would involve payments by stages with the first stage of payment shortly after execution of the agreement and the last stage of payment after the events were held and delivery of the project report or confirmation by customers of the fulfilment of their sponsorship entitlements under the agreement.
- *Payment mechanism.* Generally we will issue an invoice according to the payment terms and our customers shall settle the amount within the stipulated credit period.
- *Project completion.* Completion of our services are generally evaluated based on our fulfilment of our customers' sponsorship entitlements under the agreement.
- *Variation.* If there are any variation or additional services requested by our customers, we will usually execute supplemental agreements in relation to those variation or additional services.
- *Exclusivity.* For certain of our sponsorships, we may be required not to accept engagement from prospective customers who are in competition with our customers for the relevant events.
- *Damages and liability.* Typically, a non-breaching party may be entitled to recover from the breaching party damages in respect of breach of agreement in liquidated damages or in general damages.
- *IP infringement.* Generally the IPs provided by a party to the agreement, such as trademarks, copyright and know-hows shall not infringe upon or otherwise violate intellectual property rights or other rights held by other third parties.

BUSINESS

Terms of our SaaS interactive marketing agreements normally include the following:

- *Term.* Annual.
- *Subscription plans.* Our customer may subscribe for one of the three standardised plans on our Content Engine platform with different rights to use the different functions and marketing operation tools.
- *Fees.* Payment upon signing of contract for annual subscription fees. For certain specialised marketing contents and products, our customers will be charged additional fees. For customised marketing contents and products, it is based on commercial negotiation with customers and it is usually paid in two instalments with the first instalment upon signing of contract and the second instalment upon delivery of the product.
- *Customised products.* Our customer may engage us to provide customised products and those customised products will be subject to additional fees and separate order forms. Customised products will be for exclusive use by the ordering customer for a period of time and upon expiration of the exclusive period, the marketing contents and materials will be released on our platform.
- *Damage and liability.* A breaching party is liable for the loss suffered by the non-breaching party. We have a cap to maximum liability which shall not be more than the total subscription fees paid to us by our customers.
- *IP infringement.* The content uploaded by the customers onto the Content Engine platform shall not infringe upon or otherwise violate intellectual property rights or other rights held by third parties. The IP rights to the text, software, sound, pictures, videos and graphs provided by us on the Content Engine platform belong to us or our suppliers, as the case may be. The marketing materials created by the customer through our Content Engine platform (whether paid or not) does not constitute a purchase of the corresponding IP rights without our prior written consent, and we may continue to provide the same marketing materials to unspecified third parties.

Terms of our SaaS agent agreements normally include the following:

- *Term and renewal.* The agreement typically ends at the end of each calendar year and may be renewed by mutual agreement.
- *Exclusivity.* We do not have an exclusivity arrangement with our SaaS agents.
- *Deposit.* We require our SaaS agents to pay a deposit to us which is refundable upon termination of the agreement. We may deduct from the deposit for breach of the agreement by the SaaS agents and the SaaS agents shall replenish the balance by depositing the shortfall amount to maintain the balance of the deposit.

BUSINESS

- *Sales target or minimum purchase amount.* We do not have a sale target or minimum purchase amount with our SaaS agents but they will enjoy different amount of commissions on a progressive rate basis depending on the level of their purchase amount in addition to standard commissions that they are entitled to regardless of the level of purchasers.
- *Pricing, payment and settlement.* Our SaaS agents are required to market and sell our subscription services according to our listed price. Our SaaS agents shall make payment to us for each user account they set up and we will settle payment with our SaaS agents every six months, except that in the event a SaaS agent sets up more than 500 standard user accounts or the purchase amount reaches RMB1.75 million within the settlement period (i.e. every six months), they shall immediately settle any outstanding payment with us. For customised products, full prepayment is required.
- *Commissions.* We offer commissions on a progressive rate basis to our SaaS agents based on the level of their annual purchase amount, as well as commissions at a standard percentage based on their quarterly purchase amount. Under the progressive commission arrangement, we provide different percentage of commissions to our SaaS agents based on their total annual purchase amount calculated on a calendar year basis, which for agents who started business with us after the start of a calendar year, an average monthly basis. For customised products, we offer a standard percentage of commissions to our SaaS agents based on the purchase amount of our customised products.
- *Refund policy.* Once a user account has been activated by the SaaS agents, our SaaS agents shall be liable to make payment for such account and we will not provide refund for any such payment.
- *Sub-SaaS agents.* Our SaaS agents are not allowed to engage sub-SaaS agents to resell our SaaS products.
- *Breach of agreement.* A party may claim the other party for breach of a term of the agreement. If the SaaS agents failed to pay the purchase amount or if we failed to pay the commissions to our SaaS agents, the breaching party shall pay a penalty for the amount due and the non-breaching party may terminate the agreement and claim for payment of additional penalty if payment is not made within a given period of time. We are also entitled to claim from the SaaS agents a penalty for breach of agreement by the SaaS agents if we suffer losses due to a breach by the SaaS agents.

BUSINESS

Terms of our digital marketing, public relations event planning and media advertising agreements normally include the following:

- *Payment terms.* Depending on commercial negotiation, it may involve payment by stages or payment will only be made after fulfilment of the services in the agreement.
- *Payment mechanism.* Generally we will issue an invoice according to the payment terms and our customers shall settle the amount within the stipulated credit period.
- *Project completion.* Completion of our services are generally evaluated based on fulfilment of our services under the agreement and not based on the sales results from the advertisement/project.
- *Variation.* If there are any variation or additional services requested by our customers, we may execute supplemental agreements or confirm through written correspondence in relation to those variation or additional services.
- *Damages and liability.* Typically, a non-breaching party may be entitled to recover from the breaching party damages in respect of breach of agreement in liquidated damages or in general damages.
- *IP infringement.* Generally the IPs provided by a party to the agreement, such as trademarks, copyright and know-hows shall not infringe upon or otherwise violate intellectual property rights or other rights held by any other third parties.

Marketing & Sales

Our Group obtains new projects from existing customers as a result of our high quality IP contents, high standard of performance, quality of service and effectiveness in achieving their marketing objectives in historical projects. Further, some of our new customers are introduced to us through customer referrals or word-of-mouth.

For our content marketing projects, we actively approach new or existing customers to discuss with them new sponsorship opportunities. For our SaaS interactive marketing service, we utilise our direct sales force and SaaS agents to market and sell our services.

OUR SUPPLIERS

As we provide integrated marketing solutions to our customers, our suppliers are of many types. Some of the common suppliers include IP contents providers (IP owners or IP operators), venue providers, performance providers, contractors to set up the venue, production and material suppliers, online and traditional advertising channel or channel agents, equipment rental companies, cloud server providers, software developers, H5 developers, and data intelligence solution providers.

BUSINESS

We generally procure supplies and services on a project by project basis. Upon the commencement of a project, our project team will set out a project budget plan according to the requirements of the project and our procurement department will review the plan and look for relevant supplier. We generally obtain fee quotation from at least 3 suppliers for the provision of the same supplies.

As we generally procure supplies and services on a project by project basis, we generally do not enter into long-term contracts with our suppliers. As at the Latest Practicable Date, for the few long-term contracts which we entered into, they generally fall into the following types: (i) exclusive media channel cooperation agreement; (ii) user operation platform and data service agreement; (iii) IP copyrights licensing agreements; and (iv) API product cooperation agreement.

Exclusive Media Channel Cooperation

The key terms under the agreement are set forth as follows:

- *Term.* A year and a half.
- *Products and Exclusivity.* We have the exclusive rights to sell advertising resources of NetEase (網易) in Xiamen city and Zhangzhou city in the PRC in the agreement to our customers. We are responsible for maintaining adequate contents on the relevant channel where we have acquired the exclusive rights.
- *Scope of the Cooperation*

The media channel's responsibilities include but not limited to:

- Provide us with the domain name and the relevant software systems such as news publishing and forum discussion for the relevant channel;
- Responsible for the technological support of the relevant channel; and
- From time to time, provide training on the relevant technologies to our relevant personnel.

Our responsibilities include but not limited to:

- The maintenance and daily update of the relevant channel.
- Ensure that the information published on the relevant channel are consistent with the agreed content under the cooperation agreement.
- Not publish any prohibited information nor engage in any business specified under the cooperation agreement on the relevant channel.
- Publish not less than 60 pieces of news each day on each local website of the relevant channel.

BUSINESS

- *Fee arrangement.* We pay a fixed fee at regular interval prior to the advertisement publishing period which each covers a three months period. We are not required to share any profit from the sale of the advertising resources with the media channel.
- *Pricing right.* We have the right to price the advertising resources subject to a minimum price as stipulated by media channel.
- *IP rights.* The copyright of the relevant channel belong to the media channel. Without the consent of any party to the cooperation agreement, no party shall use or copy any trademarks, logos, technology or other information specified under the cooperation agreement.
- *Termination.* The media channel may terminate the cooperation agreement by giving 30 days prior notice to us.
- *Expiry.* The cooperation agreement shall expire on 31 December 2022.

User Operation Platform and Mass Data Service

The key terms under the agreement are set forth as follows:

- *Term.* Two years.
- *Services.* Purchase of software products and data services from the intelligence solution company.
- *Fee arrangement.* The payment shall be made in two stages and the first payment shall be paid upon the provision of first stage of the software products and services and the second payment shall be paid upon the provision of second stage of the software products and services.
- *Termination.* Each party may terminate the agreement if a party committed a breach of the agreement and failed to remedy the breach within a given period.

IP Copyrights Licensing

The key terms under the (i) IP copyrights licensing agreement; and (ii) IP anime copyrights licensing agreements are set forth as follows:

- *Term.* (i) One year for the IP copyrights licensing agreement; and (ii) five years for general contract term for the IP anime copyrights licensing agreements.
- *Exclusivity.* Non-exclusive.

BUSINESS

- *Services.* We are licensed the rights to use the IPs in the creation of marketing templates on our online platform worldwide or in the creation of our mini-games and H5 screen interactive marketing contents on our online platform within the PRC.
- *Ownership and usage rights.* IP licensors or their suppliers retain the ownership and copyrights of IP contents.
- *Assignment.* We may not assign the licences outside our Group.
- *Licensing fee.* (i) Payment shall be made for each IP content downloaded for usage in our marketing templates pursuant to the IP copyrights licensing agreement; and (ii) two one off payments and revenue sharing mechanism for revenue generated from the use of mini-games and H5 screen interactive marketing contents created using the IPs under the IP anime copyrights licensing agreements.
- *Licensing fee arrangement.* (i) Prepayment shall be made pursuant to the IP copyrights licensing agreement; and (ii) one off payments shall be paid within three business days from the date of the relevant IP anime copyrights licensing agreement and the revenue sharing shall be settle on a quarterly basis.
- *Termination.* (i) Under the IP copyrights licensing agreement, the IP licensor or we may terminate the agreement by giving 60 days prior written notice without cause or may terminate the agreement immediately if the other party has breached its obligations under the agreement; and (ii) under the IP anime copyrights licensing agreements, the IP licensor may terminate the agreements if we have used the licence outside the scope of the licence and may require us to pay a specified amount of liquidated damages.

API Product Cooperation

The key terms under the agreements are set forth as follows:

- *Term.* One year. Upon expiration of the term, the agreement shall be automatically extended for another one year unless with written notice from either party.
- *Products.* We shall upload the marketing templates of the supplier on our Content Engine platform and our customers may access and utilise those marketing templates.
- *Fee arrangement.* We shall pay the fees for the supplier's marketing templates used by our customers on our Content Engine platform on a monthly basis. We are required to make a pre-payment as an initial payment to the supplier.

BUSINESS

- *Pricing.* The supplier may amend the fees for their marketing templates by giving three months prior written notice to us.
- *Termination.* Each party may terminate the agreement if a party committed a breach of the agreement and failed to remedy the breach within a given period.

We generally do not hold inventory of the supplies. We require our suppliers to hold all necessary licences and permits in order to be qualified as our approved suppliers. We engaged over 180, 180, 210 and 40 suppliers during each period of the Track Record Period, respectively. Our Directors consider that we do not depend on any particular supplier, as we have alternative suppliers to provide the services and goods that we require.

We enter into agreements with our suppliers, and the terms vary depending on, among other things, the types of supplier we need. Our payment terms with our suppliers are generally 30–90 days.

Management of Suppliers

For content marketing projects where we are responsible for hosting the event and public relations event planning projects, we are generally responsible to our customers for the quality of items used in the events (e. g. audio and visual equipment, furniture and props, etc.), as well as workmanship, quality and timely execution of the event for which we host or which we are engaged to manage and oversee. Similarly, for digital marketing and media advertising projects, we are responsible to our customers for the services of our online or traditional advertising channels suppliers. It is therefore essential for us to adopt internal control measures to ensure the quality of our suppliers.

Our Group selects our approved suppliers based on the price, their scale of operation, delivery time, service level and their historical experiences. At the time of delivery and/or supply of the supplies/services and/or at the end of the project, we would inspect to ensure that the supplies/services are satisfactory and in line with the supplier agreement. In the event of any defects or issues which need to be rectified by the supplier, we typically liaise with the supplier to resolve the issue as soon as possible. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material disruption or dispute in the supply of materials or services.

The business nature of our suppliers for our event content marketing services are primarily media advertising resources provider, IP content provider, film and production, equipment and prop material provider, KOLs and talent agency.

The business nature of our suppliers for our public relations event planning services are primarily media advertising resources provider, KOLs, film and production, talent agency and equipment and prop material provider.

BUSINESS

Five Largest Suppliers

During each period of the Track Record Period, approximately 37.0%, 41.3%, 49.1% and 61.8% of our total purchases were attributable to our five largest suppliers, respectively. For the same periods, approximately 8.0%, 9.8%, 15.5% and 14.9% of our total purchases were attributable to our largest supplier, respectively.

The table below sets forth the five largest suppliers of our Group during the Track Record Period:

2019

Ranking	Suppliers	Ultimate beneficial owners ⁽¹⁾⁽²⁾	Background ⁽¹⁾	Location of registered office ⁽¹⁾	Approximate registered capital ⁽¹⁾ ('000)	Type of services/supplies provided	Approximate length of business relationship with our Group (years)	Credit period (days)	Settlement information	Purchase amount (RMB'000)	Percentage of total purchases (%)
1	Xiamen Pop Culture Co., Ltd.* (廈門普普文化股份有限公司)	Huang Zhuoqin* (黃卓勤)	A subsidiary of a NASDAQ listed company focusing on holding Hip Hop events and providing Hip Hop related products and services	Xiamen City, Fujian Province	RMB16,506	<ul style="list-style-type: none"> Media advertising resources Production 	4	90	Bank transfer	20,472	8.0
2	Xiamen Miaoju Culture Media Co., Ltd.* (廈門喙君文化傳媒有限公司) (“Xiamen Miaoju”)	Liao Binglin* (廖炳林)	A private company focusing on advertising and media promotion services	Xiamen City, Fujian Province	RMB5,000	<ul style="list-style-type: none"> Media advertising resources Production Equipment rental 	7	30-90	Bank transfer	20,124	7.9
3	Beijing Zhongming Century Science and Technology Co., Ltd.* (北京眾鳴世紀科技有限公司) (“Beijing Zhongming”)	Wang Huainan* (王懷南)	A subsidiary of a Hong Kong listed company hosting a popular parenting and maternity website	Beijing City	RMB59,991	<ul style="list-style-type: none"> Media advertising resources 	3	45	Bank transfer	18,173	7.1

BUSINESS

Ranking	Suppliers	Ultimate beneficial owners ⁽¹⁾⁽²⁾	Background ⁽¹⁾	Location of registered office ⁽¹⁾	Approximate registered capital ⁽¹⁾ ('000)	Type of services/supplies provided	Approximate length of business relationship with our Group (years)	Credit period (days)	Settlement information	Purchase amount (RMB '000)	Percentage of total purchases (%)
4	Shanghai Zhizi Information Technology Co., Ltd.* (上海智子資訊科技股份有限公司)	Zhu Jianqiu* (朱建秋)	A PRC listed company that mainly provides intelligent cloud marketing services to e-commerce enterprises	Shanghai City	RMB16,314	<ul style="list-style-type: none"> Media advertising resources 	7	90	Bank transfer	18,080	7.1
5	Supplier A	-	A private company that mainly provides talent agency, video production and media agency services	Beijing City	RMB3,000	<ul style="list-style-type: none"> Media advertising resources Production Equipment rental 	7	90	Bank transfer	17,916	7.0
TOTAL										94,765	37.0

Note:

- (1) The information is extracted from or is made reference to public sources.
- (2) Ultimate beneficial owner refers to the ultimate single largest shareholder which is a natural person.

BUSINESS

Ranking	Suppliers	Ultimate beneficial owners ^{(1)/(2)}	Background ⁽¹⁾	Location of registered office ⁽¹⁾	Approximate registered capital ⁽¹⁾ ('000)	Type of services/supplies provided	Approximate length of business relationship with our Group (years)	Credit period (days)	Settlement information	Purchase amount (RMB'000)	Percentage of total purchases (%)
1	Xiamen Pop Culture Co., Ltd.* (廈門普雷文化股份有限公司)	Huang Zhuoqin* (黃卓勤)	A subsidiary of a NASDAQ listed company focusing on holding Hip Hop events and promoting Hip Hop related products and services	Xiamen City, Fujian Province	RMB16,506	<ul style="list-style-type: none"> Media advertising resources 	4	30	Bank transfer	22,264	9.8
2	Guangzhou Wyan Culture&Media Co., Ltd.* (廣州萬燕科技文化傳媒有限公司)	Wang Fuchun* (王福春) and Zhao Xiangling* (趙香玲)	A private company which provides entertainment performance and film production services	Guangzhou City, Guangdong Province	RMB102,810	<ul style="list-style-type: none"> Media advertising resources 	3	90	Bank transfer	19,183	8.4
3	Xiamen Miaojun Culture Media Co., Ltd.* (廈門喲君文化傳媒有限公司)	Liao Binglin* (廖炳林)	A private company which provides advertising and media promotion services	Xiamen City, Fujian Province	RMB5,000	<ul style="list-style-type: none"> Media advertising resources Production Equipment rental 	7	30-90	Bank transfer	18,829	8.3
4	Xiamen Star Fashion Culture Media Co., Ltd.* (廈門星際時尚文化傳媒有限公司)	Zhang Pingting* (張聘婷) and Zhan Jie* (詹捷)	A private company which provides media promotion and video production services	Xiamen City, Fujian Province	RMB5,000	<ul style="list-style-type: none"> Media advertising resources Production Equipment rental 	7	30-90	Bank transfer	17,311	7.6
5	Baidu (China) Co., Ltd.* (百度(中國)有限公司)	Robin Yanhong Li (李彥宏)	A subsidiary of a company listed on NASDAQ and Hong Kong Stock Exchange which provides online media services and search engine services	Shanghai Pilot Free Trade Zone	USD12,500	<ul style="list-style-type: none"> Media advertising resources 	3	90	Bank transfer	16,363	7.2
TOTAL										93,950	41.3

Notes:

- (1) The information is extracted from or is made reference to public sources.
- (2) Ultimate beneficial owner refers to the ultimate single largest shareholder which is a natural person.

BUSINESS

Ranking	Suppliers	Ultimate beneficial owners ^{(1)/(2)}	Background ⁽¹⁾	Location of registered office ⁽¹⁾	Approximate registered capital ⁽¹⁾ ('000)	Type of services/supplies provided	Approximate length of business relationship with our Group (years)	Credit period (days)	Settlement information	Purchase amount (RMB'000)	Percentage of total purchases (%)
1	Xiamen Pop Culture Co., Ltd.* (廈門普普文化股份有限公司)	Huang Zhuoqin* (黃卓勤)	A subsidiary of a NASDAQ listed company focusing on holding Hip Hop events and promoting Hip Hop related products and services	Xiamen City, Fujian Province	RMB16,506	<ul style="list-style-type: none"> Media advertising resources 	4	30-90	Bank transfer	36,321	15.5
2	Shanghai Zhizi Information Technology Co., Ltd.* (上海智子資訊科技股份有限公司)	Zhu Jianqiu* (朱建秋)	A PRC listed company that mainly provides intelligent cloud marketing services to e-commerce enterprises	Shanghai City	RMB16,314	<ul style="list-style-type: none"> Media advertising resources 	7	90	Bank transfer	25,981	11.1
3	Xiamen Wenzhao Network Technology Co., Ltd.* (廈門文昭網絡科技股份有限公司)	Cai Chuangyi* (蔡創奕)	A private company which provides internet media resources services	Xiamen City, Fujian Province	RMB10,000	<ul style="list-style-type: none"> Media advertising resources 	2	90	Bank transfer	21,458	9.2
4	Quanzhou Shengda Ruixing Culture Communication Co., Ltd.* (泉州盛大瑞興文化傳播有限公司)	Li Youcai* (李友才)	A private company which provides various advertising and marketing services	Quanzhou City, Fujian Province	RMB5,000	<ul style="list-style-type: none"> Media advertising resources Production Equipment rental 	7	90	Bank transfer	16,629	7.1
5	Xiamen Star Fashion Culture Media Co., Ltd.* (廈門星際時尚文化傳媒有限公司)	Zhang Pingting* (張婷婷) and Zhan Jie* (詹捷)	A private company which provides media promotion and video production services	Xiamen City, Fujian Province	RMB5,000	<ul style="list-style-type: none"> Media advertising resources Production 	7	30-90	Bank transfer	14,473	6.2
TOTAL										114,862	49.1

Note:

- (1) The information is extracted from or is made reference to public sources.
- (2) Ultimate beneficial owner refers to the ultimate single largest shareholder which is a natural person.

BUSINESS

4M2022

Ranking	Suppliers	Ultimate beneficial owners ⁽¹⁾⁽²⁾	Background ⁽¹⁾	Location of registered office ⁽¹⁾	Approximate registered capital ⁽¹⁾ ('000)	Type of services/supplies provided	Approximate relationship with our Group (years)	Credit period (days)	Settlement information	Purchase amount (RMB'000)	Percentage of total purchases (%)
1	Xiamen Star Fashion Culture Media Co., Ltd.* (廈門星際時尚文化傳媒有限公司)	Zhang Pingting* (張聘婷) and Zhan Jie* (詹捷)	A private company which provides media promotion and video production services	Xiamen City, Fujian Province	RMB5,000	<ul style="list-style-type: none"> Media advertising resources Production Equipment rental 	7	30-90	Bank Transfer	14,211	14.9
2	Xiamen Wenzhao Network Technology Co., Ltd.* (廈門文昭網絡科技有限公司)	Cai Chuangyi* (蔡創奕)	A private company which provides internet media resources services	Xiamen City, Fujian Province	RMB10,000	<ul style="list-style-type: none"> Media advertising resources 	2	90	Bank Transfer	14,127	14.8
3	Supplier A	-	A private company that mainly provides talent agency, video production and media agency services	Beijing City	RMB3,000	<ul style="list-style-type: none"> Media advertising resources Production Equipment rental 	7	90	Bank Transfer	11,792	12.4
4	Shanghai Zhizi Information Technology Co., Ltd.* (上海習子資訊科技股份有限公司)	Zhu Jianqiu* (朱建秋)	A PRC listed company that mainly provides intelligent cloud marketing services to e-commerce enterprises	Shanghai City	RMB16,314	<ul style="list-style-type: none"> Media advertising resources 	7	90	Bank Transfer	10,459	11.0
5	Jiangxi Weishide Sports Culture Co., Ltd.* (江西維世德體育文化有限公司)	Sheng Jie* (盛杰)	A private company that provides sports event planning and promotion services	Fuzhou City, Jiangxi Province	RMB3,000	<ul style="list-style-type: none"> Media advertising resources 	3	90	Bank Transfer	8,302	8.7
TOTAL										58,891	61.8

Notes:

- (1) The information is extracted from or is made reference to public sources.
- (2) Ultimate beneficial owner refers to the ultimate single largest shareholder which is a natural person.

BUSINESS

All of our five largest suppliers during the Track Record Period were Independent Third Parties, and none of our Directors or their respective close associates or any of our Shareholders holding more than 5% of the issued share capital of our Company had any interest in any of our five largest suppliers of our Company during the Track Record Period.

OVERLAPPING MAJOR CUSTOMERS AND SUPPLIERS

During each period of the Track Record Period, to the best knowledge and belief of our Directors, one, nil, nil and nil of our top ten largest suppliers were also our customers for the respective period. In 2019, we purchased media resources from Beijing Zhongming and we also provided public relations event planning services to it in 2021. In 2019, purchases from Beijing Zhongming was approximately RMB18.2 million which accounted for approximately 7.1% of our total purchases for the relevant year. It was not our supplier in 2020, 2021 and 4M2022. For 2021, our revenue generated from Beijing Zhongming was approximately RMB252,830 which accounted for approximately 0.1% of our total revenue for the relevant year. Our gross profit margin in relation to the services to Beijing Zhongming was approximately 39.9% for the same year. It was not our customer in 2019, 2020 and 4M2022.

For 2019, one of our top ten largest customers, Fujian Hongxing Erke, was also our supplier. In 2019, we provided content marketing services to Fujian Hongxing Erke; in 2020, we provided content marketing, digital marketing and public relations event planning services to it; in 2021, we provided content marketing, SaaS interactive marketing and digital marketing services to it; and for 4M2022, we provided content marketing, SaaS interactive marketing and digital marketing services to it. It was not one of our top ten largest customers in 2020, 2021 and 4M2022. During each period of the Track Record Period, our revenue generated from Fujian Hongxing Erke was RMB24.6 million, RMB9.9 million, RMB10.2 million and RMB5.6 million which accounted for approximately 6.3%, 3.2%, 2.9% and 3.9% of our total revenue for the relevant period, respectively. Our gross profit margin from Fujian Hongxing Erke was approximately 33.2%, 3.2%, 19.3% and 45.4% for the same periods. We recorded lower gross profit margin from Fujian Hongxing Erke in 2020 primarily due to impact of the COVID-19 restrictions on one particular event content marketing project in which Fujian Hongxing Erke was one of the sponsoring customers to the project. As a result, we recorded a negative gross profit margin of 40.7% and a negative gross profit of approximately RMB1.4 million for Fujian Hongxing Erke in this particular project. For this event content marketing project, we had three customers (including Fujian Hongxing Erke) sponsoring this project, and we recorded the same negative gross profit margin from all three of them. Meanwhile, we cooperated with Fujian Hongxing Erke in other five projects in 2020 in addition to this particular loss making project and we achieved profitability in these other five projects which offset the negative gross profit from the loss-making project. As a result, we recorded a lower yet positive gross profit margin for Fujian Hongxing Erke in 2020.

During the Track Record Period, we rented office space from a company which belongs to the same group of Fujian Hongxing Erke and the rental expenses incurred thereof during each period of the Track Record Period was approximately RMB1.7 million, RMB1.8 million, RMB1.6 million and RMB0.6 million, respectively.

BUSINESS

As at the Latest Practicable Date, the ultimate beneficial owner of Fujian Hongxing Erke, which to the best knowledge of our Directors, is Wu Rongzhao (吳榮照), who is ultimately interested in approximately 2.2714% of our Shares via his interests in Many Idea Wu Rongzhao Limited. Save as disclosed herein, to the best knowledge and belief of our Directors, the overlapping major customers and suppliers, and their respective beneficial owners are Independent Third Parties.

Negotiations of the terms of our purchases from and sale to Beijing Zhongming and Fujian Hongxing Erke were conducted on individual and arms' length basis and these purchases and sales were neither inter-connected nor inter-conditional with each other. Based on the above, our Directors confirmed that the transactions with Beijing Zhongming and Fujian Hongxing Erke are in line with the market and similar to those transactions with our other customers and suppliers. As such, the transactions with Beijing Zhongming and Fujian Hongxing Erke were entered into on normal commercial terms.

SEASONALITY

Our Group's business is subject to seasonality. We typically record higher sales and gain momentum in the fourth quarter, as some of the key holidays (e.g. Mid-autumn Festival, National Day, Christmas) and high-profile e-commerce platform sale campaigns (e.g. Double 11 Singles' Day, Double Twelve) fall in the fourth quarter and brand owners generally heighten their promotion and marketing effort in the fourth quarter in view of these holidays and sale campaigns. According to the Industry Report, it is an industry norm that there is seasonality on marketing services market as most advertisers are willing to put their budgets on marketing services for products and services during the fourth quarter of the year. Especially, brands in the footwear and apparel industry normally introduce their latest fashion trends and launch their promotion campaigns in September and the fourth quarter.

PRICING STRATEGIES

We adopt different pricing strategies, primarily a cost-plus pricing model and subscription plan model, based on the different types of marketing services we provide.

For content marketing projects, we adopt a pricing strategy based on the cost-plus pricing model with reference to various factors such as expected number of participants to attend the events, the popularity of the IP contents, the location of the events, the form, duration and cost of online advertisements, the online channel to be used for the online advertisements, the location which the online advertisements are targeted and the cost of acquisition of the marketing rights of the projects (for third party IP content marketing projects) or the cost of development of the IP contents (for self owned IP content marketing projects). We also would refer to other projects with similar nature and scale in the industry and our past experience in similar projects when determining the pricing or the projects.

For our SaaS interactive marketing service, we offer our customers different subscription plans to meet their needs and requirements. We currently offer three tiers of plans, namely standard, advanced, and deluxe editions with three corresponding

BUSINESS

packages. We price our SaaS interactive marketing service with reference to subscription plan offered to our customers. The pricing of our subscription plans are primarily determined with reference to subscription plans offered by our competitors with platforms offering similar marketing services. They may also subscribe to additional service on our Content Engine platform and request for customised products for additional fees. Our additional service fees are determined with reference to the (i) difficulty and complexity of the customised product requested; (ii) the amount of time required to be spent in the project by our technical staff, and (iii) services fees of our competitors with platforms offering similar customised products. As our Content Engine platform has various templates and tools such as interactive creative management tools, algorithm recommendations and operational data management, we consider the price for each of the templates and tools to determine an aggregate combined pricing for our Content Engine platform.

For digital marketing, public relations event planning and media advertising projects, the main pricing strategy adopted by us is the cost-plus pricing model. We generally take into account various factors, including the scope of work, scale, duration and complexity of the project, costs of labour, material, media resources and venue, media channels, any special request from the customers, fees charged for historical similar projects and the current market conditions. The final fee for our projects are subject to the negotiation process conducted with our customers.

The following table sets out the range and average of the project fees measured by revenue for our business segments for each period during the Track Record Period:

	For the year ended 31 December						For the four months ended	
	2019		2020		2021		30 April 2022	
	Range of project fees	Average of project fees	Range of project fees	Average of project fees	Range of project fees	Average of project fees	Range of project fees	Average of project fees
	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
Content marketing	280,000-24 million	8.9 million	2 million-18 million	7.4 million	5 million-26 million	10.5 million	6 million-17 million	8.3 million
SaaS interactive marketing ⁽¹⁾	N/A	N/A	N/A	N/A	20,000-150,000	84,000	20,000-150,000	86,000
Digital marketing	2,600-8 million	0.9 million	1,100-16 million	1.0 million	10,000-5 million	1.3 million	100,000-6 million	1.5 million
Public relations event planning	35,000-3 million	0.8 million	8,600-3 million	0.7 million	15,000-5 million	0.5 million	40,000-1 million	0.3 million
Media advertising	380,000-12 million	2.4 million	290,000-2 million	0.8 million	150,000-7 million	1.4 million	400,000-7 million	2.6 million

Note:

- The range and average of project fees for SaaS interactive marketing refers to the additional fees charged to the subscribers of the Content Engine platform for the customised project services and is exclusive of the subscription fees as the annual subscription fees are not recognized as project fees.

BUSINESS

For details of our revenue recognition of each of our business segments, please refer to the section headed "Financial Information — Key Components of Our Consolidated Statements of Profit or Loss — Revenue" in this document.

TECHNOLOGY

Based on the cloud technology architecture, we believe our Content Engine platform has high reliability, high scalability, high performance and high security, and can process data in a timely manner to meet the needs of our customers. Our primary technologies used by our Content Engine platform include:

Algorithm Recommendation

The algorithm recommendation helps to accurately match our customers' interactive marketing contents according to their industries, customers' preference, or types of target end-customers. Our Content Engine platform has an inbuilt automated function to recommend templates suitable for our customers. It analyses how many target end-customers have clicked into our customers' marketing contents and the dissemination data to adjust parameters of the recommendation model, so that the algorithm can more accurately recommend our customers' contents to their end-customers.

Digital Interactive Marketing Contents Editor

To help our customers interacting with their end-customers more efficiently, we developed our own digital interactive marketing contents editor to enable our customers to design their own bespoke mini-games to promote their marketing contents to their end-customers in an interactive way. The digital interactive marketing content editor is componentised, standardised and visualised. It provides a range of common mini-game templates and our customers can flexibly set their own game contents based on their specific needs. It is user-friendly and easy to operate for our customers who may not possess professional programming or game developing capabilities.

This tool helps our customers in simplifying the process of designing, creating, and publishing their own interactive marketing contents online. Moreover, this tool can be used to design mini-games for both mobile devices and personal computers.

Screen Interactive Marketing Contents Editor

The screen interactive marketing contents editor caters our customers' needs to interact with their end-customers in offline stores or events. Like the digital interactive marketing contents editor, the screen interactive marketing contents helps our customers design their own mini-games to be played on screens in offline stores or events to attract end-customers, build up brand names and improve shopping experience of end-customers. It is also based on common mini-game templates that can be flexibly adapted to different needs and scenarios. Similarly, our customers without specific knowledge in programming can easily use this tool to design mini-games tailored made to their stores or events. Contents created by the screen interactive marketing contents editor can also be easily modified.

BUSINESS

Operational Data Management System

We are able to continually analyse dissemination data of our marketing templates to optimise our platform and contents. When our customers use our marketing templates and publish them to their targeted end-customers, the system will track and analyse the dissemination data. With the help of the system, our customers can keep track of the dissemination of their marketing contents, and critically analyse if their marketing have reached their target end-customers so as to adjust their marketing contents and marketing strategies accordingly.

RESEARCH AND DEVELOPMENT

We have a team of experienced personnel dedicated to research and development. As at 30 April 2022, we had a total of 43 research and development employees, having experience in, among others, development of web page, development of hypertext preprocessor (PHP) and games, testing of software, design of user interface, and operations and maintenance of IT systems. As at 30 April 2022, a majority of our research and development employees had obtained bachelor degree or above. Our research and development team primarily responsible for the coding and development of our Content Engine platform, in particular the algorithm recommendation function, digital interactive marketing content editor, screen interactive marketing contents editor and the operational data management system. We incurred approximately RMB4.7 million and RMB2.9 million research and development expenses in 2021 and 4M2022, respectively and we included our research and development expenses in the general administrative expenses for 2019 and 2020.

In addition to hiring experienced candidates from well-established marketing companies, we also cooperate with various interactive marketing development companies to further enhance the contents on our Content Engine platform. Please refer to the paragraph headed “— Our Integrated Marketing Solutions — SaaS Interactive Marketing Service — Overview of our Saas Interactive Marketing Platform” in this section of this document for further information.

Our SaaS interactive marketing service development process is continually driven by customers’ demands. We closely attend to the needs of our customers and respond to any changes through developing and adding new or optimising existing features. To remain innovative, we collect customers’ feedbacks through various sources and provide our development team with autonomy and freedom to explore new concepts in creating new features.

Our development process for new functions or features can generally be divided into the following stages:

- *Stage 1: Demand Analysis.* Our sales and marketing department takes the lead on conducting market analysis to understand the demand of our customers.
- *Stage 2: Product Design.* Our design department initiates design (including visual design) of prototype models.

BUSINESS

- *Stage 3: Product Development.* Our IT department begins development of new products and functions based on the prototype models and conducts testing prior to launching on our platform.
- *Stage 4: Ongoing Optimisation.* We will continue to develop our technologies and launch updated versions of our platform with improved features and functionalities based on customers' feedback.

COMPETITIVE LANDSCAPE

According to the Frost & Sullivan Report, the marketing services market and the content marketing services market in China are relatively fragmented, with the top five marketing services companies and content marketing services companies accounting for approximately 16.9% and 2.7% of the total marketing services market and the content marketing services market in China in 2021, respectively. Our Group is one of the leading integrated marketing solutions provider which ranked third by revenue in the event content marketing services market in China in 2021, accounting for approximately 0.5% of the total sales of such market in China. Please refer to the section headed "Industry Overview" in this document for further information.

LICENCES AND PERMITS

As at the Latest Practicable Date, as advised by our PRC Legal Adviser, we have obtained all material licences, permits and certificates which are necessary for our operations in the PRC. The following table sets forth the details of our major licence:

Licence	Holder	Valid Period
Commercial Performance Permit (營業性演出許可證)	Xiamen Second Future	7 January 2022 to 6 January 2024

From time to time during the course of our business, our Group requires ad hoc registrations and permissions to complete our projects. The usual registrations include the public security registration (公安備案) as required under the *Regulations on Safety Administration of Large-scale Public Activities* (大型群眾性活動安全管理條例) for organising a public event in the PRC.

BUSINESS

EFFECTS OF THE COVID-19 OUTBREAK

Industry Background

Since the end of December 2019, the outbreak of a novel strain of coronavirus named COVID-19 has materially and adversely affected the global economy. In response, China has imposed widespread lockdowns, closure of work places and restrictions on mobility and travel to contain the spread of the virus. As at the Latest Practicable Date, China still imposed restrictions on mobility and travel and some of the Chinese cities (such as Beijing, Shanghai, Dalian City and Xuzhou City) had stringent quarantine measures.

According to Frost & Sullivan, as a result of various lockdown restrictions during COVID-19 outbreak, marketing services market in China has been affected in different ways. Since a lot of offline stores were closed during COVID-19, merchants turned to digital marketing for promoting their products and services during the pandemic. Marketing services providers start to use more digitalised tools, such as short videos, on online social medias like TikTok, WeChat and Xiaohongshu. With the development of online technology and large base of mobile internet users, digital marketing services market has significantly grown during COVID-19 period.

Impact of the COVID-19 Outbreak on our Business

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

Since the COVID-19 outbreak, we have been mobilising internal resources to promote marketing utilising online channels in view of the various quarantine restrictions on marketing utilising offline events and channels. Our revenue from digital content marketing projects increased by approximately 199.4% in 2020 as compared to 2019 while our revenue from event content marketing projects decreased by approximately 42.8% for the same years. Further, our revenue from digital marketing services increased by approximately 16.1% for the same years.

Our business, including content marketing and media advertising services, started to recuperate in 2021. Our revenue from content marketing services and media advertising services increased by approximately 5.7% and 131.6%, respectively, for 2021 compared to 2020. For our digital marketing services, our revenue increased by approximately 20.3% for 2021 compared to 2020. However, our revenue from public relations event planning services decreased by approximately 35.5% for 2021 compared to 2020. Despite several occasions of local restrictions due to COVID-19 which led to temporary delay of five event content marketing projects as at 31 December 2021, our business, especially content marketing and media advertising services, started to recuperate in 2021. Our revenue from content marketing services and media advertising services increased by approximately 5.7% and 131.6%, respectively, for 2021 compared to 2020.

BUSINESS

Since February 2022, there was a resurgence of COVID-19 pandemic in the PRC, in particular the emergence and increasing reported cases of the Delta and Omicron virus variants, which has created uncertainties for our business operations. During 4M2022, we had one event content marketing project on teenage sports event with a contract value of RMB7.5 million, which was initially scheduled to be held in 2021 and delayed to 2022 was further postponed as a result of local restrictive measures due to COVID-19. The project is expected to be postponed to the second half of 2022. For the same period, we also had a public relations event planning project with a contract value of RMB980,000 being delayed. It is expected that the project will be postponed to the second half of 2022. In addition, our customers for nine of our projects, which were in pitching and negotiation stage, decided not to proceed further to the signing of contracts and withhold those projects. As those projects were at pitching and negotiation stage, we did not incur substantial costs in relation to those projects. Despite the above, our revenue increased by approximately 104.8% from RMB70.2 million for 4M2021 to RMB143.8 million for 4M2022 primarily due to increase in revenue from our content marketing services which mainly was due to we had four content marketing projects delayed from 2021 were completed in January 2022 and we had two content marketing projects which started in 2021 were completed in January 2022 prior to the resurgence of COVID-19 pandemic in China. For further details of the impact of COVID-19 on each of our business segment, please refer to the sections headed "Financial Information — Key Components of Our Consolidated Statements of Profit or Loss" and "Financial Information — Review and Historical Results of Operations" in this document.

Our Remedial Measures

As offline events were impacted by lockdowns, social distancing and restrictions on gathering, customers have shifted their demands for marketing needs to online and digital format. In response to the change in customers' preference, in 2020, we launched several sports and fashion lifestyle digital content marketing projects and recorded higher revenue from digital content marketing service. Further, approximately 24.6% of our revenue from content marketing projects was attributed to digital content marketing projects as compared to approximately 5.9% in 2019. In addition, in view of that brand owners are forced to adapt and adjust their marketing methods given the rapid and broad adoption of digital commerce as well as the various lockdown measures due to COVID-19, our formal launch of our Content Engine platform came at the right time as it could facilitate brand owners to transfer from offline interactions to digital interactions with their end-customers. As at 30 April 2022, our Content Engine had over 2,500 users accounts. We will continue to invest in our SaaS interactive marketing services as it is one of our most important strategic focus. From our experience in 2020, we had also included protective clause in our business arrangements with our customers and suppliers to limit the impact of COVID-19 restrictions on our operations.

Further, we adopted flexible remote working arrangements based on the varying situations in different cities in China during the COVID-19 outbreak. In addition, we have also implemented various precautionary policies to ensure the safety of our employees working remotely or onsite. In line with government guidelines, we have closely tracked the health status of our employees and we routinely check their body temperature before they enter our offices. We plan to continue to adopt these remedial measures and may

BUSINESS

implement additional measures as necessary to ease the impact of the COVID-19 outbreak on our business operations. Based on these factors, we expect that the impact of the COVID-19 outbreak on our business operations and financial condition to be temporary and do not expect to experience material adverse impact on our long-term business prospect as a result of the COVID-19 outbreak.

QUALITY CONTROL AND AWARDS

We believe our ability to deliver quality services is crucial to the success of our Group. We have established a quality management system and has formulated general and specific service quality control plans and policies such as general procurement policies, procedures on certain media channel livestreaming and project implementation procedures.

In addition, we attained the following awards in recognition of our services:

Certificates	Awarding organisation	Year of grant
The 10th Social Marketing Forum Golden Bee Awarding Ceremony — “Integrated Marketing Silver Award”* (第十屆社會化營銷論壇暨金蜜蜂獎頒獎盛典 — 整合營銷類銀獎)	Advertiser (formerly Advertiser Magazine)* 廣告主 (原《廣告主雜誌》)	2021
Top Ten Cultural Enterprises in Fujian Province (2020)* (福建省文化企業十強 (2020年度))	Fujian Province Cultural Reform and Development Leading Group* (福建省文化改革發展工作領導小組)	2020
The 8th Topdigital Domestic Brand Marketing Gold Award* (第八屆Topdigital國貨品牌行銷金獎)	Topdigital committee* (Topdigital 組委會)	2020
2020 CAMA China Advertising and Marketing Award — “Integrated Marketing Company of the Year”* (2020 CAMA中國廣告營銷大獎 [年度整合營銷公司])	China Advertising Magazine* (《中國廣告雜誌社》)	2020
The 8th Social Marketing Forum Golden Bee Awarding Ceremony — “Brand Marketing Gold Award”* * (第八屆社會化營銷論壇暨金蜜蜂獎頒獎盛典 — 「品牌營銷類金獎」)	Advertiser (formerly Advertiser Magazine)* 廣告主 (原《廣告主雜誌》)	2019

BUSINESS

Certificates	Awarding organisation	Year of grant
Baby Tree Golden Tree Award — Annual Preschool Sports Education Award* (寶寶樹金樹獎 — 年度幼兒運動教育獎)	Baby Tree* (寶寶樹)	2018
The 6th Social Network Marketing Golden Bee — "Best Integrated Marketing" Bronze Award* (第六屆社交網路行銷金蜜蜂「最佳整合營銷類」銅獎)	Advertiser Magazine* (《廣告主雜誌》)	2017
The 6th Social Network Marketing Golden Bee — "Best Integrated Marketing" Gold Award* (第六屆社交網絡營銷金蜜蜂獎「最佳整合營銷類」金獎)	Advertiser Magazine* (《廣告主雜誌》)	2017
The 24th China International Advertising Festival — 2017 China Advertising Great Wall Award Advertiser* (第24屆中國國際廣告節2017年度中國廣告長城獎廣告主獎)	China Advertising Association* (中國廣告協會)	2017

INSURANCE

We maintain insurance policies to safeguard against risks and unexpected events. As at the Latest Practicable Date, we had, among others, the following insurance coverage: (i) PRC's five categories of insurance for our employees (basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance); (ii) vehicle insurance; and (iii) project based public liability and accident liability insurance. For the public liability and accident liability insurance, it may be taken out by us or by our customers depending on the specific project. Our Directors believe that our Group's insurance policies are adequate to cover our business operation and consistent with the common industry practice in the PRC. However, 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. For further information, please refer to the section headed "Risk Factors — Risks Relating to Our Business and Our Industry — Our insurance coverage may not be sufficient to cover all risks involved in our business operations" in this document.

BUSINESS

WORK SAFETY AND ENVIRONMENTAL MATTERS

We are subject to PRC laws and regulations in relation to labour, safety and environment protection matters. By the nature of our business, our operational activities do not generate industrial pollutants and our operations generally do not raise any material safety or health related concerns.

We do not operate any production facilities. Therefore, we are not subject to significant health, safety or environmental risks. We do not expect to incur any material liabilities or expenditures in these respects. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material fines or other penalties due to non-compliance with health, safety or environmental regulations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We are committed to promoting corporate social responsibility and sustainable development and integrating it into all major aspects of our business operations. Corporate social responsibility is viewed as part of our core growth philosophy that will be pivotal to our ability to create sustainable value for our Shareholders by embracing diversity and public interests. Accordingly, our Board has adopted a comprehensive policy on environmental, social and corporate governance ("**ESG**") responsibilities (the "**ESG Policy**") in accordance with the Listing Rules, which sets forth our corporate social responsibility objectives and provides guidance on practising corporate social responsibility in our daily operations.

Our Board has the collective and overall responsibility for establishing, adopting and reviewing the ESG vision, policy and target of our Group, and evaluating, determining and addressing our ESG-related risks at least once a year. Our Board may engage independent third party(ies) to evaluate the ESG risks and review our existing strategy, target and internal controls. Necessary improvement will then be implemented to mitigate the risks.

The Audit Committee is responsible for evaluating and advising our Board on the implementation of our ESG Policy. We further intend to establish a risk management team (the "**Risk Management Team**") which will be led by Ms. Wong Yan Ki, Angel, our independent non-executive Director, to support the Board in formulating and implementing the ESG Policy and overseeing relevant disclosure. The Risk Management Team will also coordinate and manage general ESG affairs, which will be made up of personnel from key departments such as finance and administration, operations and sales. The Risk Management Team will be responsible for guiding the development of ESG-related matters, communicating with stakeholders, assessing ESG risks, including climate-related risks and opportunities, based on our business conditions, improving assessment indicators, promoting ESG work results and disclosing ESG information annually.

Under our ESG Policy, we aim to build a sustainable community with our employees, customers and business partners by supporting local initiatives that aim to create effective and lasting benefits to the local community, through various initiatives

BUSINESS

that may include corporate philanthropy, establishing community partnerships, and mobilising our employees to participate in volunteer work. In addition, we also endeavour to reduce any negative impacts on the environment through our commitment to energy saving and sustainable development. We will also focus on embracing diversity within our organisation and equal and respectful treatment of all of our employees in their hiring, training, wellness and professional and personal development. While maximising equal career opportunity for everyone, we will also continue to promote work-life balance and create a collegial culture in our workplace for all of our employees.

Although our business operations do not directly produce pollutants that directly affect the environment, we have implemented internal policies to reduce our carbon footprint such as reducing the energy consumption through:

- installing energy efficient lighting and ensuring lights are switched off when out of use either manually or through automatic sensors;
- requiring double-sided printing of documents throughout our offices;
- switching off certain IT equipment or automatic power shutdown for certain systems and devices; and
- air conditioning controls, with measures including requirements on lowest temperature, regular maintenance of air cooling technologies and optimal timing controls.

Impact of ESG-related Issues and Opportunities

Our Directors are aware of the adverse effects of global climate change on global economic and social development, and that the continuous emission of greenhouse gases will exacerbate such impacts. Climate-related risks identified by us can be divided into two major categories: physical risks and transition risks.

We define physical risks as risks that may potentially cause physical impact to us. We believe that climate-related issues may bring about risks of extreme weather events, such as more frequent storms, typhoons and floods. We may be potentially affected by increased operating and maintenance costs of infrastructure equipment and increases in insurance. The health and safety of our employees may also be threatened by extreme weather conditions.

In terms of transition risks, based on our assessment of relevant government and regulatory policies, and technology and market trends, we believe that we may be affected by increases in operating costs caused by changes in sustainable practice requirements. For example, we may need to switch to energy-efficient lighting or increase green spaces of our business premises. Increasing obligations on emission disclosure may mean increased costs to us for more stringent monitoring of emissions and resource consumption.

Other than the risks set out above, as at the Latest Practicable Date, our Directors were not aware of any other actual climate-related risks that may have a negative impact on our business, strategy or financial performance.

BUSINESS

Identification, Assessment and Management of ESG-related Risks and Opportunities

We attach great importance to managing and controlling corporate risk, and the Risk Management Team will be responsible for identifying risks and implementing risk reduction strategies. We also encourage employees at any level to identify and assess risks for our operations and communicate these risks with their supervisors or heads of relevant departments.

We have carried out targeted risk identification and impact assessment of environmental, social and climate-related risks and opportunities based on our nature of business and future development direction, and have adopted control and mitigation measures for a number of risk items, including:

- *Energy Saving.* As part of our operations, we have the opportunity to switch to energy-efficient lighting. These changes in operating practices may incur increases in operating costs.
- *Business ethics.* As part of our operations, employees may accept bribes, leak company secrets, or fail to comply with professional ethics. To mitigate this, we have established an internal management system to require all employees to abide by business ethics and undertake not to participate in any corruption, bribery, fraud, extortion and money laundering activities.
- *Employees' health and development.* Our employees may face, transportation and travel safety risks in the work environment, or may be threatened by the COVID-19 pandemic, as well as the restrictions imposed by governments and society as a whole in response. We also face the risk of training and development of our talent not being in line with our overall development strategies. We have put in place certain measures for safety of the office environment, and also formulate a talent development strategy with corresponding training systems and plans while tracking implementation of employee development plans.

Metrics on ESG-related Risks

We have also assessed quantitative information that reflects our management of ESG-related risks, which includes resource consumption and greenhouse gas emissions. Greenhouse gas emissions consists of Scope 1 and Scope 2 emissions. Scope 1 direct emissions include the greenhouse gas emissions from our vehicles. Scope 2 indirect emissions include greenhouse gas emissions from the consumption of purchased electricity. The table below sets forth a summary of these emissions for the year ended 31 December 2021:

Resource Consumption	2021
Purchased electricity (kWh)	181,959
Vehicle oil (L)	26,337

BUSINESS

Emissions	2021
Greenhouse gas emissions (tonnes CO ₂ equivalent)	164
Scope 1 (direct emissions) (tonnes CO ₂ equivalent)	21
Scope 2 (indirect emissions) (tonnes CO ₂ equivalent)	143

EMPLOYEES

As at 30 April 2022, we had 166 employees which were all located in the PRC. A breakdown of our employees by department is set forth below:

Department	Number of employees
Management	6
Finance and Administration	20
Operation and Sales	97
Research and Development	43
Total	<u>166</u>

We recruit our employees based on a number of factors such as our vacancy needs and expansion plans, and the candidates' work experience and educational background. We generally recruit employees by way of placing advertisements on various online employment platforms. We also utilise the services of recruitment firms primarily for senior roles hire. The recruitment firms only assist to introduce suitable personnel to us. We are the employer of these personnel and we are responsible for the salary and other employee benefits of the personnel.

Our Directors consider that our Group has maintained good relationships with our employees. We have established an employee labour union in which all our PRC employees are eligible to participate. Our labour union represents the interests of our employees and works closely with our management on labour-related issues. During the Track Record Period and up to the Latest Practicable Date, we did not have any incidents of material disruption of work, strikes or material labour disputes with our employees which have had or are likely to have a material effect on our business, financial position and results of operations.

We believe that our employees are valuable assets to our Group. As a matter of policy, we provide training for new employees that we hire. We believe such training are effective in equipping them with the skill set and work ethics we require of our employees. We also provide specialised trainings tailored to the needs of our employees in different departments. We have a scheme of performance appraisal system. Bonus may be awarded and the amount depends on the performance of the employee. In addition, we hire employees based on their merits and it is our policy to offer equal opportunities to our employees regardless of gender, age, race, religion or any other social or personal characteristics. Moreover, we appreciate the services of our employees, and care about their wellbeing.

BUSINESS

We enter into standard employment agreements and confidentiality agreements with our employees. Our standard employment agreements contain general employment conditions such as position, location, duration, salary, termination events, etc.

INTELLECTUAL PROPERTY

We regard our proprietary domain names, copyrights, software copyrights, trademarks, trade secrets, and other intellectual property, critical to our business operations. We rely on a combination of copyrights, trademarks, trade secret laws, and restrictions on disclosure to protect our intellectual property. As at the Latest Practicable Date, our Group had registered two domain names, 60 trademarks, 30 software copyrights and 44 copyrights in the PRC and one trademark in Hong Kong which we consider to be material to our business. As at the Latest Practicable Date, we have applied for the registration of five trademarks in the PRC which we consider to be material to our business. Further details of our Group's material intellectual property rights are set out in the section headed "Appendix IV — Statutory and General Information — 2. Further Information About Our Business — 2.2 Intellectual property rights of our Group".

As at the Latest Practicable Date, there were no material disputes in relation to infringement of our intellectual property rights and our Directors believe that we have taken reasonable measures to avoid infringement of our own IP rights. As at the Latest Practicable Date, we were not subject to any material dispute or claims for infringement upon third parties' trademarks, licences and other intellectual property rights.

Policies and Procedures Adopted by our Group in Relation to Intellectual Property Matters

Our legal department is responsible for monitoring any infringement of our Group's intellectual property rights on a regular basis.

Our Group has also adopted the following policies and procedures, among others, to enhance our internal control measures over our risk of infringement of third party's intellectual property rights:

- (1) we shall establish a designated team who shall be responsible for applying and obtaining the registration of the IP rights. All of the IP registration applications and the registration process shall be managed by the designated team. The designated team is responsible for overseeing IP application and registrations conducted by third parties engaged by our Group. The designated team consists of six members and is led by the head of our legal department who has PRC legal qualifications. The team members have been with us for an average of over five years;
- (2) our legal department shall review the text, pictures and graphics used in the design/presentation for our integrated marketing solution services during the planning stages of the project to ensure that we have obtained the right and/or permission to use relevant text, pictures and graphics. In the event that we have identified the relevant text, pictures and/or graphics used in the design/presentation did not obtain the right and/or permission to use, we shall report such findings to the team responsible for the relevant project; and

BUSINESS

- (3) in case of any suspected infringement of third party's intellectual property rights, our legal department shall immediately seek advice from external legal adviser from time to time, as and when needed.

PROPERTIES

As at the Latest Practicable Date, our Group did not own any property and we leased the following material properties in the PRC for our operations:

No.	Address	Approximate gross floor area (sq.m)	Usage	Lease Term
1.	Unit 1214, No. 611 Sishui Road, Huli District, Xiamen City, Fujian Province (福建省廈門市湖裏區泗水道611號1214單元)	20	Office	10 January 2022 to 9 January 2023
2.	Unit 05, 28/F, Lianjie International Centre, No. 109 Binhai Street, Fengze District, Quanzhou City, Fujian Province (福建省泉州市豐澤區濱海街109號連捷國際中心28層05單元)	216.98	Office	1 March 2021 to 28 February 2029
3.	2/F, House No.2, Houses north of East Ring Outer Road and east of Chengbei Road, Fengshou Industrial Park, Wannian County, Shangrao City, Jiangxi Province (江西省上饒市萬年縣豐收工業園區東環外綫以北、城北路以東的房屋之2棟2層) ⁽¹⁾	240	Office	1 June 2022 to 31 May 2025
4.	Unit 5205, 5/F, Zheshang Building, Shenka Avenue, Kashgar City, Xinjiang (新疆喀什市深喀大道總部經濟區浙商大廈五層5205號區域)	35	Office	1 June 2022 to 31 May 2023
5.	12/F, Hongxing Erke Group Building, No. 11 Hualian Road, Siming District, Xiamen City, Fujian Province (福建省廈門市思明區花蓮路11號鴻星爾克集團大廈12層) ⁽²⁾	1,853.361	Office	11 May 2021 to 10 May 2024
6.	1/F of House 1, 1/F of House 2, and -1/F of House 3 of No. 35 Dongluan Hutong, Dongcheng District, Beijing (北京市東城區東條胡同35號1幢1層、2幢1層、3幢-1層)	308.97	Office and reception	1 June 2018 to 31 May 2024

BUSINESS

No.	Address	Approximate gross floor area (sq.m)	Usage	Lease Term
7.	Room A803, Unit 308, No. 16 Yunding North Road, Huli District, Xiamen City, Fujian Province (福建省廈門市湖裏區雲頂北路16號308單元A803) ⁽³⁾	15	Office	1 July 2022 to 30 June 2023
8.	Unit 2-A-10 of House 2 of Aerospace Modern City, No. 169 Wenwei Road, Wencheng District, Wenchang City, Hainan Province (海南省文昌市文城鎮文蔚路169號航天現代城2號樓2-A-10 室)	24	Office	1 March 2022 to 31 May 2023
9.	Unit 1025, 10/F, Zheshang Building, Shenka Avenue, Kashgar City, Xinjiang (新疆喀什市深喀大道浙商大廈10層1025號區域)	35	Office	6 May 2022 to 5 May 2025

Notes:

- (1) The property was provided for our usage free of rent.
- (2) The lessor is a company which belongs to the same group company of Fujiang Hongxing Erke.
- (3) The lessor is a district office of the Xiamen city government and the property was provided for our usage free of rent.

As at the Latest Practicable Date, none of the lease agreements had been filed with the local housing administration authorities by the landlords where required under the PRC law. As advised by our PRC Legal Adviser, the non-registration of lease agreements does not affect the validity of such lease. As at the Latest Practicable Date, we had not received any notice from any regulatory authority with respect to potential administrative penalties or enforcement actions as a result of the landlord's failure to file the lease agreements described above. However, we might be ordered to rectify this non-compliance 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.

BUSINESS

During the Track Record Period and as the Latest Practicable Date, the lessors of properties 4 and 7 above could not provide us with valid property ownership certificates and could not prove their ownership of the properties or their right to lease the properties. As advised by our PRC Legal Adviser, if the lessors do not have ownership or the right to lease out these properties, our lease agreements may be rendered void and we may be required to vacate the properties and relocate our offices. Further, the lessor of property 9 above could not provide the landlord's consent to sublet the property to us. As advised by our PRC Legal Adviser, if the lessor does not have the right to lease out the property, we may not be able to continue to use the property and may be required to vacate the property and relocate. We believe the relocation from such leased properties would not cause any material disruption to our operation because (i) such leased properties are only for office use and there are only employees and some light assets such as office devices in such offices, which can be easily removed; (ii) there is sufficient supply of properties for office use in the neighbouring areas and we believe it will not incur significant time and costs to find alternative properties in such areas; and (iii) our office in other locations can adequately support our business operations in the event of temporary interruption of our offices at such leased properties. Therefore, although we may incur additional relocation costs, we believe such sum to be immaterial and is not expected to have any material impact to our business, operations or financial position.

Please refer to the section headed "Risk Factors — Risks Relating to Our Business — 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" for more information.

As at 30 April 2022, none of the properties leased by us had a carrying amount of 15% or more of our consolidated total assets. According to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, there had not been any non-compliance incidents which we believe would have a material adverse impact on our business, results of operations, financial condition or reputation.

LEGAL PROCEEDINGS

As at the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against us, that would have a material adverse effect on our business, financial condition or results of operations.

BUSINESS

INTERNAL CONTROL MEASURES AND RISK MANAGEMENT

We are subject to various risks during our operations, please see section headed "Risk Factors — Risks Relating to Our Business and Our Industry" in this document. We have established a risk management system and relevant policies and procedures which we consider suitable for our business operations. Our policies and procedures are aimed at managing and monitoring our business performance.

To monitor the continuous implementation of risk management policies and corporate governance measures after the [REDACTED], we have adopted or will adopt, among other things, the following risk management measures:

- establish an audit committee to review and supervise our financial reporting process and internal control system. Our audit committee consists of three members, comprising Ms. Wong Yan Ki, Angel, Ms. Wang Yingbin and Mr. Tian Tao and chaired by Ms. Wong Yan Ki, Angel whom are all independent non-executive Directors. For the qualifications and experiences of these members, please see section headed "Directors and Senior Management" in this document;
- adopt various policies and systems in terms of, among others, anti-corruption, anti-money laundering, financial reporting, fixed asset and bank account management, information system maintenance, conflict of interests management; and
- put in place a whistle-blower mechanism for reporting and handling of corruptive conducts.

To ensure the compliance with the advertising laws in the PRC, we have adopted the following internal control measures:

- we have implemented certain provisions in the contracts with our customers that require them to provide us with the corresponding qualifications in relation to the advertising content to ensure the legality and compliance of the relevant laws and regulations. We also require the customers to warrant that the advertising content entrusted to us shall comply with the advertising laws and relevant laws and regulations in the PRC. Where such provisions in the contract are breached, the customer shall bear the responsibilities.
- we will review the business qualifications of our suppliers to ensure that they are in compliance with the relevant laws and regulations.
- we have implemented certain provisions in the contracts with our suppliers that require them to warrant that the provision of services or products from them are compliant with the advertising laws and relevant laws and regulations in the PRC. For certain suppliers, we require them to provide us with the proof of their relevant advertising qualifications pursuant to the contract.