
FUTURE PLANS AND [REDACTED]

FUTURE PLANS

For a detailed description of our future plans, see “Business — Our growth strategies”.

[REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] and HK\$[REDACTED] per [REDACTED]) and after deduction of [REDACTED], [REDACTED] and other estimated expenses payable by us in connection with the [REDACTED] and assuming the [REDACTED] is not exercised. We intend to utilise the [REDACTED] as follows:

- [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used for enhancing our core technology capabilities and fundamental R&D:
 - [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used for continuous upgrading of our FMES platform and digitalised tools. In particular,
 - with respect to our FMES platform, we will strengthen the capabilities and continue to improve our core middle platforms, namely *BrandKEY*, *Channel Station* and *Touchkit*, and develop platform-level operation centres that consolidates all necessary functions, such as touchpoints operation centre and points of sale operation centre to provide a full spectrum of services to our customers and further monetise our extensive user base;
 - with respect to our digitalised tools, we will continuously upgrade our digitalised tools and develop new features to meet the ever-evolving market demands, thereby enabling better utilisation of our digitalised tools to support our service offerings and minimising our manual input in the provision of our services;
 - with respect to our SaaS+ subscription, we will focus on empowering the digitalisation and systemisation of our customers’ offline commerce and devise and offer services and/or digitalised tools to serve a wider variety of offline retail scenarios, thereby allowing us to cater to the increasingly diversified customer needs; and
 - with respect to data empowerment, we will focus on operations in the aspects of big data mining, R&D and optimisation of algorithms, thereby enabling our customers to overcome data barriers and improving their operational efficiency and effectiveness. For example, we will establish business centres to support our three core middle platforms and create systems and indexes of labels, algorithm, performance indicators of sales and promotional activities, etc.;
 - [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used for establishing a cloud-based sales and marketing platform as a service (PaaS) system. We intend to collaborate with industry peers to achieve win-win situations by building a comprehensive offline commerce-based digitalised sales and marketing ecosystem;

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In order to achieve the aforementioned plans, we intend to recruit 99 talents over the next three years comprising 79 R&D staff and 20 management and support staff. R&D staff includes industry experts, digitalised tool managers and assistants, testing engineers, project managers, algorithm and data analysts, product development, operation and maintenance staff, while management and support staff includes customer services and R&D management and support staff, such as administrative staff, human resources officers and IT security managers; and

- [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used for establishing an advanced digitalised R&D management system, enhancing our Shanghai headquarters, Dalian and Guangzhou R&D centres and establishing new R&D centre in Zhengzhou/Suzhou as well as one laboratory in Guangzhou for optimising algorithm; and
- [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used for enhancing our IT infrastructure, which includes purchasing hardware and software copyrights or licences to expand storage and computing capabilities and strengthening our IT operation management and maintenance to ensure the reliability and security of our service offerings;
- [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used for strategic investment, acquisition and cooperation. We intend to enrich our existing capabilities, enhance our core competencies and supplement our strategic business development plan;
- [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used for enhancing our capabilities in sales and marketing and business development to further our business growth and brand awareness:
 - [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used for increasing the size of our business team to accelerate the development of our on-site solution and matching service over the next three years. We plan to recruit over 43 sales staff of various levels with appropriate proficiency in technology, over the next three years;
 - [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used for expanding and diversifying our sales and marketing channels. We will invest in expanding our influences through word-of-mouth referrals and a range of other channels, such as customer meetings, conducting regular market researches and industry conferences and events. We also expect to engage online sales and marketing channels including strategically placing advertisements on professional and social network platforms; and
 - [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used for providing more professional training to our business and operations team to strengthen their capabilities to serve our customers, thereby enhancing customer loyalty;
- [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used for expanding into the Southeast Asia and Japan with a view to strengthening our market share in Asia and broadening our core customer base by procuring new market-leading customers and companies with sound credit ratings. We plan to set up our overseas headquarters in Singapore and other overseas offices in major cities in Japan and Indonesia or Philippines. We also intend to focus on cooperating with business-to-business (B2B) platforms to promote overseas business and enrich the use case scenarios (i.e. how a user might interact with our digitalised tools/FMES system to achieve a goal) of our services; and

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- [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used as our working capital for general purposes.

The allocation of the [REDACTED] as set out above will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed below or above the midpoint of the [REDACTED] range.

In the event that the [REDACTED] is exercised in full, we estimate that we will receive additional [REDACTED] of approximately HK\$[REDACTED], after deducting [REDACTED], fees and other estimated expenses payable by us, assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] range). We intend to apply all additional [REDACTED] for the same purposes as set out above on a pro rata basis.

Assuming the [REDACTED] is not exercised,

- (i) if the [REDACTED] is set at the high-end of the indicative [REDACTED] range, being HK\$[REDACTED] per [REDACTED], the [REDACTED] from the [REDACTED] will increase by approximately HK\$[REDACTED], in which case we intend to apply the additional [REDACTED] as set out above on a pro rata basis; and
- (ii) if the [REDACTED] is set at the low-end of the indicative [REDACTED] range, being HK\$[REDACTED] per [REDACTED], the [REDACTED] from the [REDACTED] will decrease by approximately HK\$[REDACTED], in which case we intend to reduce the [REDACTED] applied for the same purposes as set out above on a pro rata basis.

To the extent that the [REDACTED] from the [REDACTED] are not immediately applied to the above purposes, we will only place the same in short-term deposits with licensed commercial banks or authorised financial institutions (as defined under the Securities and Futures Ordinance or applicable PRC laws and regulations) in Hong Kong or the PRC as permitted by the relevant laws and regulations.

IMPLEMENTATION PLANS

Enhancing our core technology capabilities and fundamental R&D

Our business plans and commercial rationale

With respect to enhancing our core technology capabilities and fundamental R&D, our business plan primarily include (i) continuous upgrading of our FMES platform and digitalised tools; (ii) establishing a cloud-based sales and marketing platform as a service (PaaS) system; (iii) establishing an advanced digitalised R&D management system, enhancing our Shanghai headquarters, Dalian and Guangzhou R&D centres and setting up a new R&D centre in Zhengzhou/Suzhou as well as one laboratory in Guangzhou for optimising algorithm; and (iv) enhancing our IT infrastructure.

Continuous upgrading of our FMES platform and digitalised tools and establishing a cloud-based sales and marketing platform as a service (PaaS) system

In order to implement our future plans regarding (i) continuous upgrading of our FMES platform and digitalised tools; and (ii) establishing a cloud-based sales and marketing platform as a service (PaaS) system, we plan to recruit additional R&D talent and management and support staff through third-party recruitment websites, internal referral and school recruitment. These R&D talents comprise 79 R&D staff and 20 management and support staff. R&D staff includes industry experts, digitalised tool managers and assistants, testing engineers, project managers, algorithm and data analysts, product development,

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operation and maintenance staff, while management and support staff includes customer services and R&D management and support staff, such as administrative staff, human resources officers and IT security managers. Our Directors, based on their market insight and experiences and our track record after having considered our future plans, in particular our business plan of our continuous upgrading of our FMES platform and digitalised tools and establishing a cloud-based sales and marketing platform as a service (PaaS) system, expect that we require the said additional R&D talents over the next three years as our current workforce is not sufficient to support full implementation.

During the Track Record Period, our R&D staff were mainly responsible for (i) R&D projects (which included R&D of new digitalised tools, major functionalities of digitalised tools, technologies and algorithm supporting the digitalised tools and FMES platform, etc.); (ii) daily maintenance and optimisation of completed R&D projects that are currently in use, as well as our other IT systems and hardware; and (iii) administrative support, such as customer services and resource allocation, for the smooth-running of the R&D process. For the Track Record Period, we completed 11 R&D projects, maintained and kept optimising 19 completed R&D projects that have been in use by us as of 30 September 2022 and launched over 1,000 updates or new features. As of 30 September 2022, we had 50 R&D staff, which include (i) 30 staff responsible for R&D projects; (ii) 7 staff responsible for daily maintenance and optimisation of completed R&D projects that are currently in use; and (iii) 13 support staff responsible for administrative support.

Over the next three years, we intend to initiate 35 R&D projects and thus, we need to gradually enlarge our R&D team by recruiting an additional of 28, 53 and 18 R&D staff for the year ending 2023, 2024 and 2025, respectively. Our planned recruitment of 99 staff will include (i) 66 staff responsible for R&D projects (including R&D of new digitalised tools, PaaS system, major functionalities of digitalised tools, technologies and algorithm supporting the digitalised tools and FMES platform, etc.); (ii) 13 staff responsible for daily maintenance and optimisation of completed R&D projects; and (iii) 20 support staff responsible for administrative support, such as customer services and resource allocation, for the smooth-running of the R&D process. To facilitate our other future plans, we may also assign our existing and/or new R&D staff to construct an advanced digitalised R&D management system and establish an “open development cooperation” in our planned new R&D centre in Zhengzhou/Suzhou. Further details, see sub-paragraphs headed “Establishing an advanced digitalised R&D management system” and “Enhancing our Shanghai headquarters, Dalian and Guangzhou R&D centres and setting up a new R&D centre in Zhengzhou/Suzhou” below. There will be no overlapping roles and functions among these R&D positions. We estimated the number of additional R&D staff required for the abovementioned functions based on, among others, (i) our historical experience in the number of R&D projects completed and the corresponding number of R&D staff required in R&D projects and daily maintenance and optimisation of completed R&D projects that are currently in use by us; (ii) the planned number of R&D staff to be involved in our future plan over the next three years, which include continuously upgrade our FMES platform, R&D of new digitalised tools, PaaS system, algorithm, technologies and major functionalities of digitalised tools; (iii) complexity of the planned R&D projects and applicable offline retail scenarios; and (iv) our capacity and availability of resources.

Among the planned recruitment of additional 66 staff responsible for R&D projects, there will be (i) 31 talents responsible for product development; (ii) 30 talents responsible for R&D of algorithm, in particular AI algorithm, and constructing an algorithm platform to support our R&D process; and (iii) 5 talents responsible for business development and project management to ensure suitability of the R&D projects from business perspective and smooth implementation of R&D projects. We foresee that in addition to our existing 30 R&D staff who are responsible for R&D projects, we need to hire additional 66 staff for R&D of new digitalised tools, PaaS system, major functionalities of digitalised tools, technologies and algorithm supporting the R&D, because (i) a significant portion of our existing staff is needed for the continuous optimisation of the completed R&D projects that have been in use by us, such as FMES

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platform, and thus, it may not be commercially viable to re-allocate all of them to the future R&D projects; (ii) we envisage that the range of offline retail scenarios will increase along with the expansion of our business operations (including local and overseas expansion) and customer base and thus, we will require additional staff to concurrently conduct R&D projects which are applicable to different offline retail scenarios to strength our market position; (iii) we will be required to continuously enhance the quality of our existing digitalised tools and develop new digitalised tools in order to keep up with our customers’ demand and market trend and to facilitate our overseas expansion plan; and (iv) we need to continuously optimise algorithm and enhance other technological aspects of our digitalised tools and systems so as to enhance user experience and thus, to maintain competitiveness of our digitalised tools and systems.

In addition, we will continuously require staff for daily maintenance of digitalised tools and systems. Although our FMES platform and existing digitalised tools have been launched for application and operations, we expect that our existing R&D staff who are responsible for daily maintenance of digitalised tools and systems will be needed in the on-going maintenance of our FMES platform and existing digitalised tools. Therefore, considering the new systems and digitalised tools to be developed according to our growth strategies, we expect that we need to hire additional 13 staff for daily maintenance of the new digitalised tools and systems to be launched in the next three years.

Last but not least, support staff who provide administrative support, such as customer services and resource allocation, to the entire R&D team is important to ensure the smooth-running of the R&D process. As such, having considered the planned enlarged R&D team and increase in number of R&D projects, we intend to hire additional 20 support staff so as to maintain a relatively stable proportion of support staff to R&D projects.

In particular, we expect that these R&D staff and management and support staff could facilitate and support our fast-growing matching service and SaaS+ subscription. As our matching service and SaaS+ subscription are still at an early development stage, R&D in new digitalised tools, algorithms and data analytics is indispensable to the growth of our matching service and SaaS+ subscription and strengthen our capability to offer a wider range of matching service and SaaS+ subscription. We expect that our new R&D staff would facilitate us to accelerate technology and digitalised tool innovations and expand the applicability of our digitalised tools to more commercial settings in various industries. Furthermore, these new staff could help us address the evolving business needs of our customers and other industry participants along the value chain. According to Frost & Sullivan, the monthly remuneration (including base salary and bonus) of the R&D staff and management and support staff, details of which are set out in below table, is in line with the industry norm.

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The following table sets forth salary levels and job requirements of R&D staff and management and support staff that we intend to recruit:

Positions	Roles and functions	No. of employees to be hired	Monthly remuneration (RMB '000)	Qualifications	Experience	No. of our Group's employee in this position as at 30 September 2022	Reasons for recruiting additional talents for this position
R&D staff							
Industry expert	Business development and ensure suitability and implementation of services and digitalised tools.	2	65–75	Bachelor's degree or above with major in computer science, marketing or e-commerce.	<ul style="list-style-type: none"> Five years of experience in software implementation or familiar with the installation and operation of databases, conventional software and cyber security; Experience in industry process management. 	5	Expansion of talent pool in light of our expected development and growth
Digitalised tool manager	Product innovations and development and market user research.	2	45–50	Bachelor's degree or above with major in computer science, marketing or e-commerce.	Three years of experience in product management, having rich experience in design and planning of new mobile internet products.	5	Expansion of talent pool in light of our expected development and growth
Digitalised tool assistant	Product innovations and development and market user research.	7	13–16	Bachelor's degree or above.	One year of experience in product demand analysis.	1	Expansion of talent pool in light of our expected development and growth
Testing manager	Test plan designing and product testing.	2	30–35	Bachelor's degree or above with major in computer science, communication or other related disciplines.	Three years of experience in product testing experience.	2	Expansion of talent pool in light of our expected development and growth

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Positions	Roles and functions	No. of employees to be hired	Monthly remuneration (RMB '000)	Qualifications	Experience	No. of our Group's employee in this position as at 30 September 2022	Reasons for recruiting additional talents for this position
Testing engineer	Product testing and preparing testing reports.	4	15–20	Bachelor's degree or above with major in computer software or other related disciplines.	One year of experience in testing, and preferably, in programming.	3	Expansion of talent pool in light of our expected development and growth
Algorithm and data scientist	Data analysis, building and optimising business models and overseeing R&D teams in implementation.	2	68–72	Bachelor's degree or above in mathematics, statistics, computer related disciplines.	<ul style="list-style-type: none"> Five years of experience in algorithm and data scientist industry; With experience in model algorithm construction. 	—	Based on the goal of data-driven business, the Company needs to develop data products to support and feedback our business, therefore we established an algorithm and big data centre in 2022 to set up the position of algorithm and data scientist.
Data analyst	Analysing operating data and providing implementation recommendations.	7	28–32	Bachelor's degree or above with major in computer, statistics, mathematics, big data and other related disciplines.	One year of experience in data modelling and application.	3	Expansion of talent pool in light of our expected development and growth
Algorithm engineer	Data analysis and optimising algorithm.	21	25–29	Bachelor's degree or above with major in computer or data application related disciplines.	One year of experience in building knowledge base and data processing, analysis and modelling.	—	Based on the goal of data-driven business, the Company needs to develop data products to support and feedback our business, therefore we established an algorithm and big data centre in 2022 to set up the position of algorithm engineer.

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Positions	Roles and functions	No. of employees to be hired	Monthly remuneration (RMB '000)	Qualifications	Experience	No. of our Group's employee in this position as at 30 September 2022	Reasons for recruiting additional talents for this position
Project manager	Project management.	3	28–35	Bachelor's degree or above with major in computer science or related disciplines.	<ul style="list-style-type: none"> Five years of experience in software development; or Two years of experience in project management. 	1	Expansion of talent pool in light of our expected development and growth
Product development architect	Product development, which includes architecture designing, introducing advanced technology and resolving technical issues.	1	45–50	Bachelor's degree or above with major in software engineering and computer science.	Five years of experience in system analysis and architecture design of software projects independently with successful cases in software architecture design or experience in large-scale systems.	2	Expansion of talent pool in light of our expected development and growth
Product development manager	Product development, which includes project management and development of core code and key modules.	3	30–35	<ul style="list-style-type: none"> Bachelor's degree or above with major in computer science. Proficiency in one or more development languages. 	Three years of experience in open-sourced application development.	5	Expansion of talent pool in light of our expected development and growth
Product development engineer	Product development and unit testing.	12	13–16	<ul style="list-style-type: none"> Bachelor's degree or above with major in computer science; 	One year of related experience.	9	Expansion of talent pool in light of our expected development and growth

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Positions	Roles and functions	No. of employees to be hired	Monthly remuneration (RMB '000)	Qualifications	Experience	No. of our Group's employee in this position as at 30 September 2022	Reasons for recruiting additional talents for this position
Operation manger	Business operation and ensure customer stickiness and activity.	3	23-27	Diploma or above in marketing or other related disciplines.	<ul style="list-style-type: none"> Five years of marketing experience in large listed companies or in the health management industry; 	—	Expansion of talent pool in light of our expected development and growth
Maintenance manager	Operation maintenance, which includes daily maintenance and handling emergencies.	2	28-35	Diploma or above in marketing or other related disciplines.	<ul style="list-style-type: none"> Three years of team management experience. Five years of experience in operation maintenance and two years in management position; Have public cloud platform operation and maintenance management experience or actual automation operation and maintenance experience is a plus. 	1	Expansion of talent pool in light of our expected development and growth

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Positions	Roles and functions	No. of employees to be hired	Monthly remuneration (RMB '000)	Qualifications	Experience	No. of our Group's employee in this position as at 30 September 2022	Reasons for recruiting additional talents for this position
Maintenance engineer	Operation maintenance, which includes system monitoring, data backup, troubleshooting and etc.	8	14–20	Diploma or above in computer science.	<ul style="list-style-type: none"> • One year of experience in operation and maintenance; • Experience of platform operation and maintenance is preferred. 	—	With the increase of the size of the R&D team, the increase in the number and functions of products and the access of data systems, the maintenance of all systems coordinated by one maintenance manager cannot match the needs of platform development. In order to ensure the high availability and data security of the product, a full-time maintenance and support team is required and the scale of the operation and maintenance team is required to be expanded to set up the position of maintenance engineer.
Management and support staff							
Customer services	Support staff who provides customer services.	12	13–16	<ul style="list-style-type: none"> • Diploma or above in any disciplines; • Fluent in Mandarin and decent in words and behaviours. 	One year of experience in customer services	13	Expansion of talent pool in light of our expected development and growth
R&D management and support staff	Support staff who assists resources allocation, staff management, cost control and etc.	8	15–18	Bachelor's degree or above in computer, software engineering and other related disciplines.	Preferably with experience in project management or human resource management.	—	With the increasing size of R&D team, supporting management and support personnel are required in order to support the work of team management and R&D output management

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Establishing an advanced digitalised R&D management system

We plan to commence the construction of an advanced digitalised R&D management system in the first quarter of 2023. Then, in second quarter of 2023, we will establish a R&D project supervision team (which may comprise our existing and/or new R&D staff) to formulate R&D management standards for various types of projects, select appropriate system according to our actual needs and configure or customise the system functions. We expect to proceed to trial run and implementation of the advanced digitalised R&D management system in June 2023. In the third quarter of 2023, we will continue to refine and enhance the advanced digitalised R&D management system and provide trainings to our R&D staff on the implementation of R&D management standards and operations of the system. We expect all R&D staff will fully switch to the new R&D management standards and system by end of third quarter of 2023. Afterwards, we plan to regularly evaluate our use of the new R&D management standards and system and continue to optimise the standards and system. The advanced digitalised R&D management system is expected to help us to effectively coordinate R&D resources and enhance the efficiency in digitalised tools innovation. At the same time, such management system can improve our R&D management environment and is expected to help attracting and retaining R&D talents.

Enhancing our Shanghai headquarters, Dalian and Guangzhou R&D centres and setting up a new R&D centre in Zhengzhou/Suzhou

With respect to enhancement of our Shanghai headquarters, Dalian and Guangzhou R&D centres, we plan to commence the enhancement in first quarter of 2023 and expect the enhancement will be completed by the second quarter of 2023 and the set up will be completed by third quarter of 2023. The enhanced Shanghai headquarters, Dalian and Guangzhou R&D centres are expected to provide additional and sufficient office space to support our recruitment plan regarding 99 R&D talents and other support staff over the next three years. We believe that our enlarged R&D team would facilitate us to accelerate technology and digitalised tools innovations and expand the applicability of our digitalised tools to more commerce scenarios. Furthermore, these new staff could help us address the evolving business need of our customers and other industry participants along the value chain.

With respect to the new R&D centre in Zhengzhou/Suzhou, we plan to start looking up for potential strategic cooperation partner to establish an “open development cooperation” and intend to finalise details of the cooperation, such as R&D targets, management structure and flow and quality control in second quarter of 2023. Then in third quarter of 2023, we plan to commence preparation works and devise relevant work contents and plans. We will also set up a R&D team (which may comprise our existing and/or new R&D staff) and purchase necessary equipment. Such R&D team will be responsible for, among others, upgrading *Remotes* and *SMV*, being major digitalised tools used for on-site solution and developing basic components for digitalised tools.

Meanwhile, with a view to jointly develop and enhance the offline retail ecosystem, we plan to jointly establish algorithm laboratories in Shanghai and Dalian with a reputable university specialised in data structure & algorithm in PRC in the first quarter of 2023. The algorithm laboratories are expected to create and provide a research environment for R&D talents to cooperate. These R&D talents may include specialists in algorithm research, big data mining and image recognition technology, etc.

Setting up one laboratory in Guangzhou

Upon completion of the enhancement of our Guangzhou R&D centre, we plan to commence the setting up of a laboratory in Guangzhou in second quarter of 2024 for optimising algorithm and research on the construction of a cross-platform communication system. At present, communication systems commonly used in the market are diversified and have many entrances and are generally incompatible with other

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systems. In view of such, we plan to develop a cross-platform communication platform for major players in the offline sales and marketing scenarios to improve communication efficiency, enhance market responsiveness and capture sales opportunities.

Enhancing our IT infrastructure

Our plan to enhance our IT infrastructure includes purchasing hardware and software copyrights or licences to expand storage and computing capabilities and strengthening our IT operation management and maintenance to ensure the reliability and security of our service offerings. In particular,

- in second quarter of 2023, we plan to purchase software (such as operating system, algorithm authorization, data analysis tools, etc.) and hardware (such as servers, computing cards, etc.) that can support petabyte-level data volume and computing power for our algorithm laboratory. We expect these software and hardware will provide strong computing power support for our big data analysis and optimising algorithm;
- in fourth quarter of 2023, we plan to purchase virtual desktop software as to support a secure and isolated remote access platform for research and development, operation and maintenance by our IT suppliers etc. We expect that such virtual desktop software can help save travel expenses.
- in third quarter of 2024, we plan to set up a petabyte-level secure backup server in each of Shanghai, Dalian and Guangzhou so that we can have multi-copy off-site disaster recovery backup. We also plan to purchase professional-grade data backup software and a high-stability enterprise broadband dedicated line to ensure stable and real-time backup of data transmitted from digitalised tools. The backup servers will be built with RAID 1 array so that they can still recover even if some discs are damaged. We expect that we can improve our backup efficiency and save cost of data security management.
- in fourth quarter of 2025, we plan to build a unified and integrated IT monitoring platform to comprehensively monitor all software and hardware environments and system resources distributed in public and private clouds and provide real-time feedbacks. We expect the monitoring platform can help us quickly locate cause of faults and thus, we can solve any system problems in a timely manner, which in turn ensuring system reliability, reducing monitoring-related operation and maintenance costs and improving service and IT maintenance quality.

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Cost and benefit analysis

In order to continuously upgrading of our FMES platform and digitalised tools, which is vital to our daily operations and provision of services, we plan to recruit 99 R&D talents over the next three years as our current workforce is not sufficient to support full implementation. Meanwhile, our Directors consider that engaging third-party IT service suppliers to the upgrade of our FMES platform and digitalised tools is not in the best interest of the Group. The overall security of FMES platform is our utmost consideration and thus, we have tried our best to minimise any risks to FMES platform or digitalised tools. We may face risks in relation to (i) leakage of intellectual property right, programming codes, trade secrets and know-how; and (ii) leakage or misuse of user information or other important data if we outsource the upgrading to third parties. Also, it is possible that third-party IT service suppliers may fail to satisfactorily upgrade FMES platform and digitalised tools or any material change in their organisational or operational status (such as bankruptcy, layoffs or the departure of key project personnel) could affect their ability to satisfactorily upgrade FMES platform and digitalised tools. Similarly, we consider that engaging third-party IT service suppliers to establish PaaS system is not in the best interest of the Group due to confidentiality and data sensitivity consideration.

Based on the fee quotation obtained from a human resources agency, it is expected that recruiting and employing R&D talents by ourselves can save costs from human resources outsourcing (i.e. the recruitment agency sourcing and hiring suitable talents and then assigning to us), while at the same time enabling us to better control the performance of such talents, as we in general have more control over our own employees than human resources outsourcing. Also, the provision of talents by human resources agencies may fluctuate and thus, lack continuity and may affect the R&D process and the collaboration among different R&D personnel. Therefore, our Directors believe direct and in-house employment of R&D talents can help reduce such risk of uncertainty and is beneficial to our long-term development as we can have better control of our cost and their performance.

Other than recruitment of R&D talents, we expect that our investment in the establishment of an advanced digitalised R&D management system, new R&D centres and laboratory may impact our profitability and liquidity. To our Directors’ best estimation, we expect that our financial performance and our liquidity position will be adversely impacted by (i) costs and expenses to be incurred, which mainly include employee benefit expenses of our R&D staff and expenses to be incurred for research, development repair and maintenance of the advanced digitalised R&D management system; (ii) leases of our new R&D centres and laboratory will be initially recognised as right-of-use asset (if the lease term is more than one year) and the corresponding liabilities will be initially recognised as lease liabilities. The right-of-use assets will be depreciated over the lease term and the corresponding depreciation will be recognised as expenses. Finance cost of the lease liabilities will be charged to our profit or loss over the lease period; (iii) payments made for leasehold improvement and acquisition of necessary office equipment for the initial set-up will be recognised as plant and equipment that will be depreciated in the future; and (iv) we also expect office expenses will be incurred for our new R&D centres and laboratory.

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Market demands

Continuous upgrading of our FMES platform and digitalised tools

The emergence of media resources in various marketing channels and the rise of digitalization are likely to greatly assist brand owners or distributors to select the most effective and professional sales and marketing services providers and engage them at relatively low cost but receive high quality and real-time data. By 2026, the market size of China’s retail sales and marketing services market is forecasted to reach approximately RMB3,350.1 billion, yielding a CAGR of 9.1% between 2021 and 2026.

Due to the complex nature of FMCG business which involves diverse channels and enormous transaction scenario (both of online and offline channels), FMCG enterprises normally relies on sales and marketing services providers to assist them to reach and interact with target consumers on daily basis considering of the high frequency of purchasing. With the prevalence of digitalization transformation in recent years, the growth of FMCG retail sales and marketing services market increased from approximately RMB1,000.5 billion in 2017 to approximately RMB1,261.5 billion in 2021, representing a CAGR of 6.0% during the period. Further propelled by the rise of domestic FMCG brands from various channels and consumer groups, the retail sales and marketing services market in China are expecting burgeoning growth potential in the future.

With increasing cost of implementing sales and marketing plans through online channels, the technology empowered offline sales and marketing service providers also continuously attract brand owners and distributors to enhance collaboration in the foreseeable future. In this customer-centric era, brand owners and distributors are expected to integrate online and offline to a new level. Under such circumstance, the market is estimated to reach approximately RMB1,678.3 billion by 2026 with a CAGR of 5.9% between 2021 and 2026. Moreover, it urges retail sales and marketing service providers to equip themselves with digitalization tools and platforms in order to better serve their clients.

Establishing a cloud-based sales and marketing platform as a service (PaaS) system

According to Frost and Sullivan, cloud service market in China has been growing rapidly and a large number of enterprises are migrating from traditional software models to cloud services. Therefore, while China’s cloud infrastructure is developing vigorously, platform as a service (PaaS) system is also developing rapidly because of its diverse cloud extreme application scenarios. From 2017 to 2021, China’s PaaS market has grown from RMB3.5 billion to RMB19.6 billion, representing a CAGR of 53.8%. With the accelerated cloudification of scenario application and business in various industries, Frost & Sullivan expects that there will be more business needs of PaaS platform in the future, accompanied by the continuous iteration and innovation of new technologies such as AI, IoT and big data. The China’s PaaS market will meet the diverse application needs of various industries faster and better. Looking forward, it is estimated that China’s PaaS market will reach RMB63.2 billion in 2026, registering a CAGR of 26.4% between 2021 and 2026.

Establishing an advanced digitalised R&D management system, enhancing our headquarters and R&D centres, setting up a new R&D centre and a laboratory and enhancing our IT infrastructure

As the benefits of digital transformation are increasingly recognised by businesses across industries and continue to be promoted by the government, total IT spending by companies in China has continued to rise over the past few years. Between 2017 and 2021, total IT spending by companies in China increased from approximately RMB2,660.1 billion to RMB3,329.3 billion, representing a CAGR of approximately

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5.8%. By 2026, total IT spending by companies in China is expected to reach approximately RMB4,365.5 billion, with a CAGR of 5.6%. Being a digitalised sales and marketing service provider, we expect our IT spending will also increase.

Pursuing strategic investment, acquisition and cooperation

Our business plans and commercial rationale

We expect our strategic investment, acquisition and cooperation could enrich our existing capabilities, enhance our core competencies and supplement our strategic business development plan. Currently, we plan to carry out the followings:

- Strategic acquisitions of large companies in the PRC which could enable us to rapidly expand our business across the country. In particular, we intend to look for traditional sales and marketing companies in the PRC. Since our current business operations cover more than 320 cities of 31 provinces/municipalities in China, location(s) where the target operates would not be restricted. When selecting and assessing potential targets, we will consider a number of selection criteria. In particular, we intend to look for and will selectively pursue potential target which (i) is a traditional sales and marketing company in the PRC having a focus on FMCG industry; (ii) has an established customer base consisting of international and local market-leading brand owners and/or distributors, which preferably not to overlap with our existing customer base as we expect such target would expand our customer base; (iii) has an established touchpoint base, which could be employee touchpoint and/or third-party labour; (iv) possesses competitive advantages in areas or subjects we consider valuable to our existing business operations and can help expanding our service coverage in respect of different offline retail scenarios and complement with our existing services; and (v) has proven track record in providing traditional sales and marketing services and at least an annual revenue of RMB150 million. We believe that such targets could enlarge our customer base, enhance our market presence and strengthen our market share, thereby supplementing our future plan relating to business growth and brand awareness. In addition, if the targets have international presence, they could further supplement our strategic business development plan relating to international presence. Meanwhile, with the view to strengthen the connection between online and offline retail ecosystem with using the offline platform as an entry, we may also consider online consumer marketing companies with at least an annual revenue of RMB80 million; and
- Investments in technology platforms which could complement our FMES platform. In particular, when identifying potential platform, we will consider whether such target has (i) local or overseas presence; (ii) technology capabilities and fundamental R&D to develop technology platforms; (iii) sales and marketing customers; and/or (iv) at least an annual revenue of RMB50 million. We expect that such targets could further enhance our technology capabilities and complement our existing FMES platform by encouraging cooperation among different R&D talents across different platforms;

To facilitate the identification of targets, (i) we intend to designate a team comprising our senior management members as the task force to oversee the implementation of the acquisition and investment plan; (ii) our employees, especially those who have first-hand information of and directly communicate with our business partners, will be instructed to identify potential targets in the market which may meet our selection criteria through external and internal market research; and (iii) our executive Directors may also identify potential targets with their personal connection and industry experience and will serve as the panel to review the suitability of a target company before embarking on negotiation. We expect to commence the process of identifying targets for acquisition or investment and negotiation with them in the first half of

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2023 followed by a series of feasibility studies and due diligence exercises subject to the identification of suitable target. If we consider potential targets being suitable, we will further negotiate with potential sellers to agree on normal commercial terms that are fair and reasonable and in the interests of our Company and the Shareholders as a whole.

Cost and benefit analysis

We intend to use [REDACTED]% of the [REDACTED], or HK\$[REDACTED], for strategic investment, acquisition and cooperation. In case the amount of [REDACTED] falls short of the amount of acquisition consideration, we consider it would be commercially viable to (i) liaise with the transaction parties and obtain control over the target by acquiring more than 50% of the equity interest, instead of the entire equity interest, in the target; and/or (ii) utilise our internal resources and/or external financing to settle any remaining part of the consideration. Our Directors are of the view that the strategic acquisition will be beneficial to our business strategy to further expand our business scale and market share based on the following analysis:

(i) *Minimising the time required for organic growth*

Based on our Directors' past experience, it took us six years to achieve an annual revenue of at least RMB150 million by way of organic growth, mainly comprising (i) expanding customer base within our existing geographical coverage; and (ii) expanding our geographical coverage and by way of (i) tendering application; and (ii) direct sales.

On the other hand, our Directors estimated that it generally takes around one year for us to complete an acquisition of a target, depending on the complexity, location, scale and service offerings of the target, which includes (i) conducting and performing valuation, due diligence and negotiation; (ii) execution of relevant agreements; and (iii) completing the statutory requirements and commercial terms of acquisition. Our Directors consider that strategic acquisitions and investments are more time efficient to achieve business expansion.

(ii) *Minimising the uncertainties and additional costs associated with organic growth*

Strategic acquisition not only can save time for expanding our customer base and service offerings, but also increase our technical and managerial talents, help to adapt our management model based on the local regulatory requirements, social culture and market environment, control the risks associated with new customers or long-distance management and save costs and efforts. In addition, our Directors consider that strategic acquisition will also allow us to diversify our customer base as we gain access to the existing clientele of the target being acquired. Inheriting existing clientele that have been properly managed by the target company prior to acquisition could minimise risks and uncertainties in respect of procuring new customers as described above and expand our revenue stream in a short period of time.

Compared with organic growth to new markets, strategic acquisitions can secure a more stable source of income and predictable investment payback with reference to the financial performance and the existing customer base of the targets. We will conduct valuation and due diligence on the target companies to make sure investment payback is within a reasonable range.

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Although we had been expanding our business primarily through organic growth since inception, for expanding into overseas markets and increasing our market share in the PRC, our Directors consider that a combination of both organic and inorganic growth is ideal for a company, as expansion through strategic acquisition will enable us to gain access to new markets faster, expand our market share in existing markets in a more efficient and secured manner, and therefore diversifies the revenue base without relying solely on current operation to grow.

Availability of targets

Based on the expert interviews conducted by Frost & Sullivan, for our selection criteria and the availability of such targets, as of 2021, there were over 300 sales and marketing companies in China that had revenue of at least RMB150 million, over 200 online marketing companies in China that have revenue of at least RMB80 million and over 100 technology development companies who are familiar with sales and marketing industry in the market that have revenue of at least RMB50 million.

Enhancing our capabilities in sales and marketing

Our business plans and commercial rationale

In order to enhance our capabilities in sales and marketing, we plan to (i) increase the size of our business team to accelerate the development of our on-site solution and matching service by recruiting 43 sales talents with appropriate proficiency in technology over the next three years; (ii) expand and diversify our sales and marketing channels; and (iii) provide more professional training to our business team.

Increase the size of our business team to accelerate the development of our on-site solution and matching service

We intend to increase the size of our business team to accelerate the development of our on-site solution and matching service. Such business team is expected to be responsible for expanding project portfolio, customer base and marketing channels, formulate sales strategies and corresponding measures to ensure achievement of the strategies, and continuously improve our service quality to enhance long-term relationship with customers. We believe that by continuously cultivating excellent sales talents, we can achieve sustainable growth. In particular, we plan to hire 43 sales talents with appropriate proficiency in technology over the next three years through third-party recruitment websites, internal referral and school recruitment. Generally, these talents should have a background in areas including the operation and management of on-site solution and matching service, marketing strategy and/or risk control modelling. According to Frost & Sullivan, the annual remuneration (which includes base salary and bonus) of the sales talents, details of which are set out in below table, is in line with the industry norm.

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The following table sets forth salary levels and job requirements of sales talents that we intend to recruit:

Positions	Roles and functions	No. of employees to be hired	Annual Remuneration (Note) (RMB'000)	Qualifications	Experience	No. of our Group's employee in this position as at 30 September 2022	Reasons for recruiting additional talents for this position
Vice President of Sales	<ul style="list-style-type: none"> Set up sales strategy goals Understand customers' needs and solve problems in a timely manner With ability to build a sales management team 	2	1,600	<ul style="list-style-type: none"> Bachelor's degree or above Deeply cultivate the SaaS+ service industry and familiar with related products Have practical experience in developing market nationwide 	Five years of experience in middle and senior sales business management experience	—	Due to the significant increase in salespersons, it is necessary to have vice president level personnel to coordinate department personnel management to cope with on-site solution, matching service and SaaS+ subscription development
Director of Sales	<ul style="list-style-type: none"> Develop a variety of sales methods to achieve sales goals Reasonably delegate sales targets according to sales goals Can develop new customers and new markets 	12	800	<ul style="list-style-type: none"> Bachelor's degree or above Have keen market insight and strong market development and sales ability Has experience and deep insights in corporate services and FMCG industry 	Five years of sales experience, which include more than three years of sales experience in SaaS related industries and more than three years of experience in sales team management	10	In order to serve more top brand customers, a large number of high-level sales personnel are required to contact and meet customer needs

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Positions	Roles and functions	No. of employees to be hired	Annual Remuneration (Note) (RMB'000)	Qualifications	Experience	No. of our Group's employee in this position as at 30 September 2022	Reasons for recruiting additional talents for this position
Sales Manager	<ul style="list-style-type: none"> Responsible for construction of regional market distribution channel Support current business partners to improve their sales capabilities Be aware of the market situation of SaaS+ service-related products 	14	296	<ul style="list-style-type: none"> Bachelor's degree or above and with certain industry resources Familiar with mainstream SaaS+ service products and sales models Experience in SaaS+ service or cloud product sales is preferred 	Three years of sales experience	47	Expansion of talent pool in light of our expected development and growth
Sales Executive	<ul style="list-style-type: none"> Implement marketing plans Assist the sales manager to complete the monthly sales plan Continuously improve the customer transaction rate 	15	180	<ul style="list-style-type: none"> Diploma or above and excellent fresh graduates are also acceptable Has certain understanding of SaaS+ service products and sales models With strong business negotiation skills and new customer development ability 	N/A	54	Expansion of talent pool in light of our expected development and growth

Note: Annual remuneration includes base salary and sales bonus.

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Expanding and diversifying our sales and marketing channels

We will invest in expanding our influences through word-of-mouth referrals and a range of other channels, such as customer meetings, conducting regular market researches and industry conferences and events. We also expect to engage online sales and marketing channels including strategically placing advertisements on professional and social network platforms. Following our participation of an industry event organised by a leading AI company based in the PRC in October 2021 and publication of 2022 China Offline Digital Marketing White Paper (《2022年中國線下動銷數字化白皮書》) together with Frost & Sullivan and LeadLeo, we plan to publish the second White Paper in 2023. Meanwhile, we plan to actively participate in customer conferences and industry events to promote our brand awareness and diversify our customer base.

Provide more professional training to our business and operations team

We plan to provide various trainings to our project personnel, being part of our business and operations team, to strengthen their capabilities to serve our customers, thereby enhancing customer loyalty. These project personnel are our valuable assets because they directly interact with consumers and their performance have direct effect on our revenue. As such, enhancing their personal development and skill sets is important to improving our service quality.

Cost and benefit analysis

With a view to accelerate the development of our on-site solution and matching service, we intend to increase the size of our business team by recruiting an additional 43 sales talents with appropriate proficiency in technology.

Based on the fee quotation obtained from a human resources agency, it is expected that recruiting and employing sales talents by ourselves can save costs from human resources outsourcing (i.e. the recruitment agency sourcing and hiring suitable talents and then assigning to us), while at the same time enabling us to better control of the performance of such talents, as we in general have more control over our own employees than human resources outsourcing. Also, the provision of talents by human resources agencies may fluctuate and thus, lack continuity and may affect our relationship with customers and implementation of long-term sales strategies. Therefore, our Directors believe direct employment of sales talents can help reduce such risk of uncertainty and is beneficial to our long-term development as we can have better control of our cost and their performance.

Market demands

As highlighted by Frost & Sullivan, digitalised retail support services are more knowledge-intensive than traditional retail support services and talents with skills in IT, digitalised operation, digitalised marketing, and even cross-industry aspects, are relatively scarce in the market. In order for us to continuously provide reliable services, we have spent years building up our talent pools and established experienced teams to support and expand our business operations. Similarly, in order to provide reliable services, according to Frost & Sullivan, major market players have spent years building up their talent pools and established experienced teams. This competitive advantage inevitably brings competitive barriers to new entrants, which can create more development opportunities for us.

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Expanding into overseas markets and increasing our market share in the PRC

Our business plans and commercial rationale

We plan to expand into the retail support services markets outside the PRC, such as Southeast Asia and Japan by leveraging our proven track record in serving market-leading FMCG brand customers with a view to capturing the huge overseas market opportunities. We intend to procure new market leading customers and companies with sound credit ratings and plan to set up our overseas headquarters in Singapore as it is an important economic hub in Southeast Asia and has easy access to neighbouring countries. In addition, we intend to set up overseas offices in major cities in (i) Japan (for example Tokyo) with a focus on serving merchants in Japan who want to enter into the PRC market; and (ii) Indonesia (for example Jakarta) or Philippines (for example Manila) with a view to penetrate into the local markets. In order to support the daily operations of our overseas offices and facilitate our plan to expand into the overseas market, we plan to establish business development team by recruiting eight staff in the first year of establishment of the Singapore office. Such team would comprise one general manager, four sales and marketing staff, one financial staff and two administration and support staff. We aim to recruit staff with relevant industry background and local experience for the establishment of our overseas offices to have a better understanding of the local markets. Meanwhile, we will also set up business development teams with a similar composition for other overseas offices by recruiting four staff in the first year of establishment of the same. We plan to commence our overseas expansion plan by setting up offices and establishing business development teams starting from first quarter in 2023.

Based on a preliminary feasibility study conducted by our management, the locations where we plan to set up new overseas office, namely, Singapore, Japan, Indonesia and the Philippines, are suitable for our overseas expansion because of their economic outlook and population size. As such, we consider their retail markets are sustainable and the development of the retail support services markets are promising. In particular, the FMCG distribution/retail ecosystem in Singapore and Japan are relatively mature. As such, we will focus on optimising the connection, integration and consolidation of various players in those markets. In particular, with respect to Singapore, we target on acquiring customers which are chain restaurant, chain supermarket, real estate manager, operator of shopping malls that focused on branded goods and market-leading brand owners or distributors. Meanwhile, the FMCG distribution/retail ecosystem of other Southeast Asia countries, such as Indonesia and the Philippines, is comparatively fragmented and multi-tiered. As such, we plan to penetrate into the local FMCG markets and focus on acquiring market share. For example, we may target on acquiring chain supermarket customers in Indonesia, or chain restaurant customers in the Philippines.

With respect to our overseas expansion plan, we will conduct thorough feasibility studies and comprehensive due diligence covering a wide range of issues, including, amongst others, the overall market demand and regulatory environment. Based on information currently available to us, we intend to focus on providing matching service and SaaS+ subscription to overseas customers and plan to customise our digitalised products to accommodate different marketing needs in different countries. In addition to business development by our own overseas staff, we may also consult local merchant acquiring agents or enter into strategic cooperation with payment gateways to procure potential customers and touchpoints. Typically, local merchant acquiring agents and payment gateways have business relationships or contacts of local merchants and they may assist us promote our services and penetrate into the local market. Also, we may promote our services to payment gateways so that our services can create synergistic effect with their payment services and local connections. In addition, having considered the competitive landscape, we believe that we could recruit local touchpoints to assist in and attend to on-site implementation of our services. By doing so, we believe that we will be able to connect, integrate and consolidate various players in the overseas market in the same way as we do in the PRC market using our services and digitalised products, as well as penetrate into the local markets by procuring local customers and touchpoints.

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Although we have no prior experience or presence in these overseas locations, we are familiar with the operations and development of multinational corporation or companies with overseas presence as certain of our Directors had years of experiences in multinational corporation and in our daily operations, we work closely with various multinational corporation or companies with overseas presence. Among our major customers for the Track Record Period, six of them are subsidiaries of a multinational corporation or have overseas presence. We believe our successful track record of cooperation with these multinational customers will help us attract more overseas brand owners to use our platform. Despite different features and demands of different overseas markets, leveraging our ability to provide all aspects of services to formulate and implement customised sales and marketing services, we are able to tailor the operation plans of our services to monetise in suitable overseas markets.

As we have served a number of market-leading FMCG brands with global presence and leveraging our track record for providing a wide portfolio of services in the PRC market, we believe that these customers with global presence may find our service offerings also applicable to their Southeast Asia and Japan markets. We have preliminarily discussed with our existing customers and certain of our major customers had inquired about potential overseas cooperation, in particular provision of matching service to their branch in Singapore, Japan, Indonesia, etc. In addition, we work closely with our customers' procurement team, who may be responsible for regional procurement of sales and marketing services and would recommend us to procurement teams of their overseas branch offices. We may also establish partnerships with overseas companies, such as payment platforms, to enhance our service portfolio. Our Directors believe that a listing status would facilitate us in attracting and procuring overseas customers, as well as to retaining necessary talents with appropriate experience in overseas expansion.

Where good overseas opportunities arise, we plan to collaborate with local strategic partners to better formulate services that cater for the specified needs of overseas FMCG customers, for example, sales and marketing events tailored to the audience in different geographical regions based on their preferences and culture. We also intend to focus on cooperating with business-to-business (B2B) platforms to promote overseas business and enrich the use case scenarios (i.e. how a user might interact with our digitalised tools/FMES system to achieve a goal) of our services. As at the Latest Practicable Date, we had not commenced any operation in any specific overseas market to expand into, but we are currently planning and implementing our overseas expansion plan, such as communicating with an overseas recruitment agent to discuss on the availability of potential candidates for our overseas business development team.

Cost and benefit analysis

We will leverage our extensive experience in the provision of digitalised sales and marketing services in China when expanding into overseas market. Our estimated set up costs (which included rental expenses, employee benefit expense, operating expenses and start-up fees) for Singapore overseas headquarters, Japan office and an office in either Indonesia or Philippines are HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED], respectively. The breakeven period and cash investment payback period for our overseas headquarters and offices are, however, subject to various factors including, among others, demands for our services from local brand owners and other players in the offline retail scenarios and our operational efficiency. We consider that our overseas expansion plan is commensurate with our historical and future business strategies. Historically, we have focused on serving market-leading FMCG customers, such as Fortune Global 500 companies or top FMCG brands with international presence. We believe that expanding into overseas market will also strengthen our market share in Asia and broaden our core customer base as we intend to procure new market leading customers and companies with sound credit ratings. Furthermore, we believe that our ability to provide services in overseas locations could help strengthen our business relationship with our existing market-leading FMCG customers as we can better understand these customers' demand, business culture and business operations, etc. Moreover, geographical expansion has been our Group's strategy to pursue growth that during the Track Record

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Period, we provided services in different locations in the PRC where customer demand arose. As of the Latest Practicable Date, we had established branch offices in over 20 cities. Our Directors believe that geographical expansion in overseas market following the footprint of our internationally-renowned customers would be a commercially sensible approach to pursue growth in the future. In addition, we allocated approximately [REDACTED]% of our [REDACTED] from the [REDACTED] only for our overseas expansion which represented an approach that balances our risk exposure and potential benefits from the favourable industry landscape and is commensurate with our historical and future business strategies. In addition, we believe our marketing and branding plans in these overseas markets will enhance our brand exposure among brand owners and other players in the offline retail scenarios.

Market demands

Considering robust economic outlook, large population sizes, and steady political environment, the retail market in these countries would sustain the momentum and also brew the development of the retail support services market, making it an opportunity for retail brand owners and retail support services providers. Furthermore, the development of the Asian retail market has been driven in part by the steady growth of retail markets in Japan and Singapore, in addition to China. According to Frost & Sullivan, Singapore and Japan are relatively mature markets, which are projected to grow from RMB164 billion and RMB6.7 trillion, respectively, in 2021 to RMB179.3 billion and RMB6.8 trillion, respectively, in 2026. In addition, as Singapore is an important economic hub in the Southeast Asia and has convenient transportation with neighbouring countries, it has a relatively high CAGR of 1.8% from 2021 to 2026, while Japan has a CAGR 0.4% for the same period. According to Frost & Sullivan, the competitive landscape of sales and marketing industry in previous mentioned countries are relatively fragmented. In 2021, the market share of the top five sales and marketing players in Japan, Singapore, Indonesia and the Philippines accounted for approximately 40%, 35%, 20%, and 25%, respectively. The leading (in terms of revenue) sales and marketing service players in the said four countries as identified by Frost & Sullivan are listed companies with global presence. In terms of the number of existing players, there are over 20,000, 4,000, 15,000 and 3,000 sales and marketing entities in Japan, Singapore, Indonesia and the Philippines, respectively.

Given that (i) the local competitive landscape of the targeted countries are relatively fragmented which presents opportunities for new entrants; and (ii) retail brand owners in these targeted countries tend to select their retail support service providers with similar criteria as retail brand owners in the PRC and track record of serving well-established international brands would be a competitive advantage in the target countries, our Directors believe that we would be competitive and are able to compete with local competitors.

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Expected implementation timetable

The table below sets forth the expected implementation timetable of our planned use our [REDACTED]:

	2023	Year ending 31 December			Total
		2024	2025	2026	
Enhancing our core technology capabilities and fundamental R&D	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Pursuing strategic investment, acquisition and cooperation	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Enhancing our capabilities in sales and marketing	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Expanding into overseas markets	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Working capital	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED] should note that the implementation plans above are drawn up based on the current economic status and subject to many uncertainties and unpredictable factors, in particular the risk factors as set out in “Risk factors”. Our actual course of business may vary from the business objectives set out in this document. Therefore, there is no assurance that our business plans will materialise in accordance with the estimated time frame and that our future plans will be accomplished at all.