SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full text of this document. You should read the entire [REDACTED] before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in "Risk Factors" in this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

We are an established sales and marketing service provider, primarily focusing on providing on-site sales and marketing solutions to market-leading FMCG (i.e. fast-moving consumer goods) brand owners and distributors with activities mainly carried out at offline retail stores, such as supermarkets, department stores, outdoor promotional campaigns, etc. During the Track Record Period, we offer four types of services, including (i) customised marketing solution; (ii) tasks and marketers matching service; (iii) marketers assignment service; and (iv) SaaS+ subscription. Further details of our services are set out below:

- ***Customised marketing solution.*** We formulate and implement customised sales and marketing plans of our customers' merchandise in offline retail stores with a view to raising brand awareness, promoting merchandise and driving sales. In particular, we set up venues, arrange marketers and event consumables and facilitate overall project management. Typical examples of customised sales and marketing activities include promotional activities, marketing events, roadshows, product launch events, order-placing events and appreciation ceremonies.

  Being our long-established business, customised marketing solution contributed the largest share of our revenue and accounted for 74.0%, 65.5% and 74.4% of our total revenue during each year of the Track Record Period.

- ***Tasks and marketers matching service.*** We formulate and implement standardised sales and marketing activities for our customers' merchandise at offline retail stores with a view to enhancing our customers' sales performance. In particular, our customers' marketing tasks are published via our digitalised tool, namely *Touchkit*. We analyse historical task performance of marketers to identify their strengths and characteristics. With such analysis, we provide matching recommendation on tasks and suitable marketers. Also, with the aim to achieving our customers' performance targets, we regularly evaluate the impact of our services on sales performance. Typical examples of standardised sales and marketing activities include sales and promotion of our customers' merchandise and in-store merchandise display.

  Tasks and marketers matching service accounted for 7.7%, 14.2% and 13.3% of our total revenue during each year of the Track Record Period.

- ***Marketers assignment service.*** We assign our employee marketers to execute sales and marketing duties as instructed by our customers at designated offline retail stores and help manage human resources-related administration matters of these employee marketers. In particular, we enable our customers to reduce operating costs associated with human resources-related administration matters and enhance management efficiency. As such, our customers can focus on and allocate more management resources towards their core business activities, while having access to stable supply of marketers.

  Marketers assignment service accounted for 17.8%, 16.7% and 7.8% of our total revenue during each year of the Track Record Period.

- ***SaaS+ subscription.*** We offer customisation (on an as-needed basis) and subscription for our readily-available digitalised tools. In particular, our digitalised tools support our customers to streamline their sales and marketing process and manage their offline retail network, and to make data-driven decisions as well.

  During each year of the Track Record Period, SaaS+ subscription accounted for 0.5%, 3.6% and 4.5% of our total revenue.

Since our inception in 2004, we have strived to provide our customers with sales and marketing services that are comprehensive to their corporate needs. We offer services to customers of different sizes and scales which are scattered over different geographical locations in the PRC in support of their sales and marketing initiatives. Generally, our services require on-site implementation by marketers. Marketers mainly refer to the persons who directly interact with consumers and perform on-site implementation of sales and marketing activities, such as salespersons, frontline staff, etc. In the context of our business operations, we categorise our marketers into employee marketers (who have employment relationships with us) and third-party marketers (who do not have any employment or contractual relationship with us). As of the Latest Practicable Date, our services covered more than 320 cities in 31 provinces/municipalities in China.

OUR MARKET OPPORTUNITY AND COMPETITION

Being a sales and marketing service provider which primarily serve FMCG customers in the PRC, our operations are subject to the impact of any changes in the China's offline retail market and we face opportunities and challenges of the retail support services market, as well as retail sales and marketing services market in China. According to the Frost & Sullivan Report, China's retail sales and marketing services market is fragmented and highly competitive, with the top five retail sales and marketing services providers taking up approximately 23.4% of the market in 2021 and in terms of revenue, we accounted for approximately 0.02% of the market in the PRC in 2021. For details, please refer to "Risk Factors — We operate in a relatively competitive market and may not be able to compete successfully against our existing and future competitors. In addition, we obtain some of our revenue through competitive tender or quotation process. There is no assurance that we will succeed in the tender or quotation process.".

According to the Frost & Sullivan Report, China's retail market is categorised into online and offline channels. In terms of the revenue generated by retail service providers, the online channel is the faster-growing segment and increased rapidly at a CAGR of 26.5% from 2017 to 2021, whereas the offline channel only grew at a CAGR of 4.1% for the same period. Going forward, online retail market is expected to increase at a CAGR of 11.9% from 2021 to 2026, while offline retail market is expected to grow at a CAGR of 3.3% during the same years. Accordingly, considering that our current business is primarily offline-focused, such transformation may adversely affect our operations and performance and the growth of our business due to the slower growth momentum of the offline retail channels. Nonetheless, the offline channel represented more than 67% of the entire retail market over the last five years and according to Frost & Sullivan, with the increasing costs of acquiring and retaining consumers in the online channel and deeper and more tangible consumer experience in the offline channel, the offline retail market is expected to remain larger than the online retail market. The offline channel is projected to represent more than 58% of the entire retail market in the next five years.

According to the Frost & Sullivan Report, China's retail support services market in terms of revenue is projected to increase from RMB7.9 trillion in 2021 to RMB11.0 trillion in 2026 at a CAGR of 6.8% and the retail sales and marketing services market in China in terms of revenue is expected to grow from RMB2,167.7 billion in 2021 to RMB3,350.1 billion in 2026, yielding a CAGR of 9.1%. The retail sales and marketing services can be categorised into FMCG, durable goods, agricultural means of production, and others. According to Frost & Sullivan, among all categories under retail sales and marketing services market, FMCG sector holds the largest market share, which amounted to RMB1,261.5 billion and accounted for approximately 58.2% of total market size of the retail sales and marketing services market in 2021 in terms of revenue, and is projected to reach RMB1,678.3 billion in 2026, attaining a stable CAGR of 5.9%.

According to Frost & Sullivan, major market drivers of the retail sales and marketing services market in China include (i) consumption upgrades prompt demand for more customised marketing services; (ii) fiercer competition drives marketing effectiveness enhancement; and (iii) rising demand for offline experience. Meanwhile, Frost & Sullivan expects that there will be (i) further expansion of publishing channels and media resources; (ii) growing demand from various product sectors; (iii) prevalence of marketing technology for integrated service capability; and (iv) performance-based advertising becoming increasingly favourable.

OUR TECHNOLOGIES

Our FMES platform contains digitalised tools with different functionalities and data assets accumulated from our provision of services over the years. We utilise our digitalised tools to manage data collected during our daily operations and transform them into valuable data assets, which in turn facilitate our business process. As such, our digitalised tools enable us to manage our business processes, which include formulating implementation plans, managing implementation process and collecting, verifying, processing and analysing data to produce data analytics.

We collect and process in our daily operations fragmented and unorganised first-hand information relating to (i) sales and marketing performance by our and third-party marketers (including attendance and task completion records); (ii) consumer behaviours and feedback; and (iii) sales and purchase transactions. Our marketer user pool comprises marketers with different background, experience and skill sets, etc. For

FY2022, the number of average monthly active marketers was over 23,000 spreading across more than 320 cities in 31 provinces/municipalities in China. In order to effectively manage on-site performance of marketers, we divide on-site implementation of sales and marketing activities into different tasks and evaluate performance of our marketers on the tasks. Typical examples of tasks include sales and promotion, assisting in marketing campaigns, in-store merchandise display, stock inventory management and other daily operations. For FY2022, the total number of tasks completed was over 683,000. A task is regarded as "completed" when all requirements prescribed by the customer in relation to such task have been accomplished by marketers. In view of such volume of data, we need a reliable and scalable platform to support our provision of effective sales and marketing services. In particular, *MiJob Square*, being one of our flagship digitalised tools, facilitates easy task application for marketers, and also facilitates remote management of marketers and monitoring of task performance and status for us.

Meanwhile, our tasks and marketers matching service utilises big data and AI technologies to generate and continuously improve matching recommendations of marketers with tasks. Since different tasks at offline retail stores in different areas which may have different target consumer groups, consumers' behaviour and preference, merchandise variety, etc. require marketers with different background, experience and skill sets, etc., we believe that we can enhance our ability in achieving better results (such as sales amount) using AI-generated matching recommendations.

OUR CUSTOMERS

Leveraging our proven track record and service quality, we have acquired positive market reputation for providing our services and accumulated a solid customer base, comprising brand owners and distributors. A majority of our brand owner customers and most of our top five customers in each year of the Track Record Period are Fortune Global 500 companies, Top 500 Enterprises of China companies and/or otherwise market-leading FMCG brand owners in the PRC and/or have global presence. For each year during the Track Record Period, revenue from our five largest customers amounted to RMB269.2 million, RMB250.4 million and RMB438.7 million, representing 65.2%, 60.2% and 71.0% of our total revenue, respectively. For each year during the Track Record Period, our revenue from our largest customer amounted to RMB71.2 million, RMB81.2 million and RMB166.8 million, representing 17.2%, 19.5% and 27.0% of our total revenue, respectively. As we derived a significant portion of our revenue from our top five customers in each year of the Track Record Period, we are exposed to the risk of concentration of our major customers. For further details, see "Risk Factors — We derived a significant portion of our revenue from our major customers and we are exposed to the risk of concentration of our major customers during the Track Record Period." and "Business — Our customers — Customer concentration".

OUR SUPPLIERS

Our suppliers mainly include labour service providers, event consumables suppliers and data service and related IT service providers. For each year during the Track Record Period, our top five suppliers include labour service providers and event consumables suppliers. For each year during the Track Record Period, our purchases from our five largest suppliers amounted to RMB149.5 million, RMB156.4 million and RMB121.5 million, representing 60.6%, 58.1% and 48.3% of our total purchases, respectively. For each year during the Track Record Period, our purchases from our largest supplier, being a human resources management service provider amounted to RMB90.8 million, RMB50.0 million and RMB43.2 million, representing 36.8%, 18.6% and 17.2% of our total purchases for the same periods, respectively. For further details, see "Business — Our suppliers".

OUR COMPETITIVE STRENGTHS

We believe that the following strengths have contributed to our success:

- Established sales and marketing service provider in China
- Strong network effect and synergy effect enabled by our business model
- Data-centric operation empowered by our FMES platform
- Large and diverse marketer pool
- High-quality customer base with expansion potential
- Seasoned and insightful management team

For further details, see "Business — Our competitive strengths".

OUR GROWTH STRATEGIES

We intend to leverage on our competitive strengths and implement the following strategies:

- Enhance our R&D capabilities and develop advanced sales and marketing digitalised tools as well as attracting and retaining R&D talents
- Raise awareness of our brand and increase market share
- Establish our international presence
- Pursue strategic investment, acquisition and cooperation

For further details, see "Business — Our growth strategies".

RISK FACTORS

Our business and industry and the [REDACTED] involve certain risks as set out in "Risk Factors". You should read that section in its entirety carefully before you decide to [REDACTED] in our [REDACTED]. Some of the major risks we face includes:

- We operate in a relatively competitive market and may not be able to compete successfully against our existing and future competitors. In addition, we obtain some of our revenue through competitive tender or quotation process. There is no assurance that we will succeed in the tender or quotation process.
- Our growth may not be sustainable and depends on our ability to attract new customers, diversify customer base and retain or increase revenue from existing customers.
- The offline retail market and retail sales and marketing services market in China is subject to various uncertainties. In particular, the emergence of e-commerce and online marketing may adversely affect the demand for our on-site sales and marketing services, as well as the overall offline retail sales and marketing services market in China.
- If we fail to meet our customers' requirements of our services to suit their evolving needs, our customers may not renew our services, which, in turn, will have a material and adverse impact on our business, financial condition, results of operations and prospects.
- Our efforts to develop new digitalised tools or functionalities may not succeed. If so, we may not be able to provide services that are satisfactory to our customers, which, in turn, could harm our business and prospects.
- Our financial results of tasks and marketers matching service depend on, among others, performance of marketers which can be adversely affected by a number of factors, some of which may be beyond our control.
- Our customers may switch between our services, which may materially and adversely affect our financial performance.
- If our digitalised tools contain serious errors or defects, our customers may lose confidence in our services. In addition, system disruptions, distributed denial of service attacks, or other hacking and phishing attacks on our digitalised tools, IT infrastructures or network systems may delay or interrupt services to our customers. We may incur significant costs defending or settling claims with our customers as a result of such serious errors or defects or disruptions.
- We derived a significant portion of our revenue from our major customers and we are exposed to the risk of concentration of our major customers during the Track Record Period.
- Any interruptions to or delays in services from third parties, such as labour service providers, event consumables suppliers and IT service providers, may impair the delivery of our services, and adversely affect our business and results of operations.
- Our business generates and processes a large amount of data and we are required to comply with constantly evolving PRC laws relating to information security and privacy protection. The improper use or disclosure of data or alleged incidents of such could have a material and adverse effect on our business and prospects.

OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the Share Subdivision and the [REDACTED] (assuming the [REDACTED] is not exercised), the Company shall be held as to [REDACTED]% and [REDACTED]% by Guangjun Sun Holdings and Guangjun Holdings respectively. Guangjun Holdings is owned as to 99% by Summit Plus (which in turn is wholly-owned by Mr. Sun's Family Trust, a discretionary trust set up for the benefit of Mr. Sun and Junshu Holdings) and 1% by Junshu Holdings respectively. Guangjun Sun Holdings is wholly-owned by Junshu Holdings Limited, which in turn is wholly-owned by Mr. Sun. Accordingly, Mr. Sun, Junshu Holdings, Guangjun Sun Holdings, Summit Plus and Guangjun Holdings will be our Controlling Shareholders upon the [REDACTED].

OUR [REDACTED]

Since the establishment of our Company, we have secured [REDACTED] from New Mercury Investments. For further details of the identity and background of the [REDACTED], and the principal terms of the [REDACTED], see "History, Reorganisation and Corporate Structure — [REDACTED]".

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables sets forth our summary historical financial information for the years or as of the dates indicated. This summary has been derived from our historical financial information set forth in the Accountant's Report in Appendix I to this document. The summary historical financial data set forth below should be read together with, and is qualified in its entirety by reference to, the historical financial information included in the Accountant's Report in Appendix I to this document, including the accompanying notes, and the information set forth in "Financial Information". Our historical financial information was prepared in accordance with HKFRS.

Summary of consolidated statements of comprehensive income

	FY2020	**FY2021**	**FY2022**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	413,571	416,289	618,110
Gross profit	163,966	170,249	173,567
Other income	8,393	24,688	27,894
Operating profit	78,097	86,122	79,709
Profit before income tax	73,435	81,453	76,598
Profit for the year	53,897	59,010	52,702
Attributable to:			
Owners of the Company	53,874	58,664	52,702
Non-controlling interests	23	346	—
	53,897	59,010	52,702

Non-HKFRS measures

To supplement our consolidated financial statements which are presented in accordance with HKFRS, we also use non-HKFRS measures, such as adjusted net profit (non-HKFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, HKFRS. We believe that such measure provides useful information to [REDACTED] and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of the adjusted net profit (non-HKFRS measure) may not be comparable to similarly titled measures presented by other companies.

We defined adjusted net profit (non-HKFRS measure) as profit for the year adjusted by adding back [REDACTED]. We exclude [REDACTED] because [REDACTED] are expenses related to the [REDACTED]. Therefore, [REDACTED] is added back to the adjusted net profit (non-HKFRS measure) with a view to eliminating the potential impacts of such items. The Directors believe that the presentation of such non-HKFRS measure when shown in conjunction with the corresponding HKFRS measure provides useful information to potential [REDACTED] and management in better reflecting our underlying operating performance and facilitating a better comparison of our underlying operating performance from period to period. Adjusted net profit (non-HKFRS measure) is not a measure required by, or presented in accordance with HKFRS. The use of adjusted net profit (non-HKFRS measure) has limitations as an analytical tool, and you should not consider it insolation from, or as a substitute for analysis of, our results of operations or financial position as reported under HKFRS.

The following table reconciles our adjusted net profit (non-HKFRS measure) presented to the most directly comparable financial measure calculated and presented in accordance with HKFRS:

	FY2020	FY2021	FY2022
	RMB'000	*RMB'000*	*RMB'000*
Profit for the year	53,897	59,010	52,702
Add:			
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net profit (non-HKFRS measure)	**53,897**	**67,380**	**70,555**

Our adjusted net profit (non-HKFRS measure) amounted to RMB53.9 million, RMB67.4 million and RMB70.6 million for FY2020, FY2021 and FY2022, respectively. Our adjusted net profit margin (non-HKFRS measure) was 13.0%, 16.2% and 11.4% for FY2020, FY2021 and FY2022, respectively.

Revenue

Services types

The following table sets forth a breakdown of our revenue by service types for the years indicated:

	FY2020		FY2021		FY2022	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Customised marketing solution	305,888	74.0	272,724	65.5	459,623	74.4
Tasks and marketers matching service	32,127	7.7	59,238	14.2	82,062	13.3
Marketers assignment service	73,583	17.8	69,412	16.7	48,713	7.8
SaaS+ subscription	1,973	0.5	14,915	3.6	27,712	4.5
Total	**413,571**	**100.0**	**416,289**	**100.0**	**618,110**	**100.0**

Our revenue increased from RMB413.6 million for FY2020 to RMB416.3 million for FY2021. The increase was primarily attributable to the significant increase in revenue from tasks and marketers matching service and SaaS+ subscription, which was in line with our business strategy to promote our tasks and marketers matching service and SaaS+ subscription, the effect of which was partially offset by the decrease in revenue from customised marketing solution, which was due to the decrease in spending of some of our brand owner customers of customised marketing solution in FY2021.

Our revenue increased from RMB416.3 million for FY2021 to RMB618.1 million for FY2022 primarily attributable to the increase in our revenue from customised marketing solution. Increase in revenue from customised marketing solution was mainly due to (i) the increase in the average revenue per brand owner customer from RMB6.7 million for FY2021 to RMB15.7 million for FY2022 as some of our existing brand owner customers expanded their spendings on customised marketing solution; (ii) revenue contributed by new customers procured by us in late 2021; and (iii) the fact that some of our marketers assignment service customers switched to our customised marketing solution services, which was in line with our strategies to put more focus on customised marketing solution and to cater changes in sales and marketing strategies of our customers from time to time in response to the prevailing changes in their industry.

Geographical area

The following table sets forth a breakdown of our revenue by geographical area of our customers for the years indicated:

	FY2020		FY2021		FY2022	
	Revenue	*%*	*Revenue*	*%*	*Revenue*	*%*
East China[(1)]	181,887	44.0	200,184	48.1	226,853	36.7
South China[(2)]	203,703	49.3	154,035	37.0	327,642	53.0
North China[(3)]	24,272	5.9	54,394	13.1	54,952	8.9
Others[(4)]	3,709	0.8	7,676	1.8	8,663	1.4
Total	**413,571**	**100.0**	**416,289**	**100.0**	**618,110**	**100.0**

Notes:

(1) Included customers from Jiangsu, Shanghai, Zhejiang and other provinces/municipalities in East China.

(2) Included customers from Guangdong, Guangxi and Hainan.

(3) Included customers from Beijing, Tianjin, Shanxi and other provinces/municipalities in North China.

(4) Included customers from Hubei, Sichuan, Henan and other provinces/municipalities in China except East China, South China and North China.

We generated most of our revenue from customers located in East China and South China, which in aggregate contributed revenue of RMB385.6 million, RMB354.2 million and RMB554.5 million and accounted for 93.2%, 85.1% and 89.7% of our total revenue for each year during the Track Record Period, respectively. Our revenue generated from customers located in North China increased substantially from 5.9% of our total revenue for FY2020 to 13.1% and 8.9% of our total revenue for FY2021 and FY2022, respectively, mainly because we expanded our business presence in Beijing and thus, generated increased revenue from customers in Beijing.

Cost of services

The following table sets forth a breakdown of our cost of services and as a percentage of our cost of services for the years indicated:

	FY2020		FY2021		FY2022	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Labour service fees[(1)]	197,806	79.3	182,310	74.2	154,263	34.7
Employee benefit expenses[(2)]	7,659	3.1	9,424	3.8	248,792	56.0
Event consumables[(3)]	29,238	11.7	38,354	15.6	22,320	5.0
Travel and transportation expenses	10,030	4.0	10,611	4.3	9,315	2.1
Research, development and technical service expenses[(4)]	1,285	0.5	4,729	1.9	8,823	2.0
Impairment losses on inventories[(5)]	1,755	0.7	—	—	—	—
Other expenses	1,832	0.7	612	0.2	1,030	0.2
Total	**249,605**	**100.0**	**246,040**	**100.0**	**444,543**	**100.0**

Notes:

(1) Labour service fees mainly represented fees incurred in relation to third-party marketers engaged through labour services providers.

(2) Employee benefit expenses mainly represented salaries and benefits paid to our staff (including Group staff and employee marketers).

(3) Event consumables mainly represented production costs, event materials purchase fees, meeting and training fees and venue fees.

(4) Research, development and technical service expenses mainly represented the expenses associated with the provision of SaaS+ subscription.

(5) Impairment losses on inventories mainly represented provision of loss allowance for our candy products.

Our cost of services remained relatively stable for FY2020 and FY2021, where our labour service fees represented the largest component of our cost of services for FY2020 and FY2021 and accounted for 79.3% and 74.2% of our total cost of services, respectively.

The significant increase in cost of services associated with customised marketing solution from RMB190.7 million for FY2021 to RMB368.7 million for FY2022 was mainly because the revenue contribution of three of our top five customers for the Track Record Period, increased from 19.6% of our revenue for FY2021 to 50.2% for FY2022. Such increase in contribution was mainly due to the fact that these three customers switched from our marketers assignment service to our customised marketing solution, to cater for changes in their sales and marketing strategies in response to the prevailing changes in their industries. For FY2022, employee benefit expenses increased significantly to 56.0% of our total cost of services and thus, became the largest component of our cost of services, mainly because some of our marketers assignment service customers switched to our customised marketing solution. The employee benefit and disbursements paid to these employee marketers were originally recorded to net-off the gross transaction amounts of revenue generated from marketers assignment services, where under customised marketing solution, such expenses were recorded in full in our cost of services as employee benefit expenses.

Gross profit and gross profit margin

The following table sets forth a breakdown of our gross profit and gross profit margin by service types for the years indicated:

	FY2020		FY2021		FY2022	
	Gross Profit	**Gross Profit Margin**	**Gross Profit**	**Gross Profit Margin**	**Gross Profit**	**Gross Profit Margin**
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Customised marketing solution	87,474	28.6	82,040	30.1	90,958	19.8
Tasks and marketers matching service	10,357	32.2	16,764	28.3	20,386	24.8
Marketers assignment service	65,580	89.1	61,633	88.8	43,733	89.8
SaaS+ subscription	555	28.1	9,812	65.8	18,490	66.7
Total	163,966	39.6	170,249	40.9	173,567	28.1

Our gross profit was RMB164.0 million, RMB170.2 million and RMB173.6 million for FY2020, FY2021 and FY2022, respectively. Our gross profit margin was 39.6%, 40.9% and 28.1%, for FY2020, FY2021 and FY2022, respectively.

Customised marketing solution

Our gross profit margin of customised marketing solution increased slightly from 28.6% for FY2020 to 30.1% for FY2021. The increase in gross profit margin was mainly due to the increase in project scale of relatively higher profit margin projects with some brand owners. Our gross profit margin of customised marketing solution decreased from 30.1% for FY2021 to 19.8% for FY2022. The decrease was mainly due to increase in employee benefit expenses because some of our marketers assignment service customers switched to our customised marketing solution to cater for changes in their sales and marketing strategies in response to the prevailing changes in their industries. The customised marketing solution projects in relation to these customers were relatively more labour intensive than our other customised marketing solution projects as these customers required their products to be promoted in multiple locations with an aim to improve their sales performances. Thus, compared with other promotional activities and marketing events, which may require more event consumables rather than labour, these projects required more of our employee marketers to cover such locations and we therefore incurred more employee benefit expenses, thus the projects had a relatively lower gross profit margins.

Tasks and marketers matching service

Our gross profit margin of tasks and marketers matching service further decreased from 32.2% for FY2020 to 28.3% for FY2021. The decrease in gross profit margin of tasks and marketers matching service was mainly attributable to the increase in labour service fee as a result of the increase in number of manshift performed by third-party marketers to enhance the level of project execution and to meet the demands associated with the business expansion and the increase in average cost per manshift of third-party marketers for tasks and marketers matching service. The average cost per manshift of third-party marketers for tasks and marketers matching service increased at a higher rate than average revenue from tasks and marketers matching service per manshift of third-party marketers. Our gross profit margin of tasks and marketers matching service decreased from 28.3% for FY2021 to 24.8% for FY2022, as average cost per manshift of third-party marketers for tasks and marketers matching service increased at a higher rate than average revenue from tasks and marketers matching service per manshift of third-party marketers, which was mainly because (i) with a view to ensuring the quality of our services and maintaining a stable marketer base, we adjusted the calculation basis of the remuneration of the marketers and did not substantially reduce our cost of services; the remuneration of the marketers is calculated based on the marketers' attendance and the amount of sales achieved and in FY2022, we have expanded the types of sales-related incentives for certain of our customers and (ii) as affected by overall economic downturn, sales performance of offline retail stores involved under our tasks and marketers matching service was affected, which in turn reduced our revenue from tasks and marketers matching service that adopts a "performance-based" fee model.

Marketers assignment service

Our gross profit margin of 89.1% for FY2020, marketers assignment service remained stable at 88.8% for FY2021 and 89.8% for FY2022.

SaaS+subscription

As a newly launched service type in 2020, our gross profit margin of SaaS+ subscription increased significantly from 28.1% for FY2020 to 65.8% for FY2021. The increase was mainly due to the decrease in the percentage of research, development and technical service expenses to the revenue from SaaS+ subscription from 65.1% for FY2020 to 31.7% for FY2021 as we only had to make modifications to our software developed in 2020 to fit our customers' specification requirements instead of having it developed from scratch when we bring on new customers. Our gross profit margin of SaaS+ subscription remained relatively stable at 65.8% and 66.7% for FY2021 and FY2022, respectively.

For detailed analysis of our results of operation during the Track Record Period see "Financial Information".

Other income and gains — net

Our other income and gains — net increased from RMB8.6 million for FY2020 to RMB25.2 million for FY2021. The increase was mainly attributable to the significant increase in government grants from RMB3.7 million for FY2020 to RMB22.8 million for FY2021. The increase in government grants from FY2020 to FY2021 was mainly attributable to a significant increase in the amount of financial support received from RMB0.7 million for FY2020 to RMB22.5 million for FY2021. Such government grant, calculated based on our Group's income tax payment and our business scale, was intended to incentivise the development of Group in the Shanghai regions.

Our other income and gains — net further increased from RMB25.2 million for FY2021 to RMB28.9 million for FY2022, primarily due to the increase in government grants to RMB26.1 million for FY2022 as a result of the increase in the amount of financial support granted by the PRC government. The increase in government grants from FY2021 to FY2022 was mainly attributable to an increase in the financial support received pursuant to a job-subsidy programme of local authorities in the PRC, for example Job Stability Subsidies (穩崗補貼) and Employee Retention Subsidies (留崗補貼).

Government grants we received during the Track Record Period mainly represented (i) the financial support received from the Bureau of Finance of the relevant administrative areas, including Jiading District Bureau of Finance, a local authority in the PRC, to incentivise the development of our Group in the Shanghai regions; and (ii) job-subsidy programme of local authorities in the PRC according to the respective local government policies (such as Job Stability Returns (穩崗返還) and Job Stability Subsidies (穩崗補貼)), the applications of which were subject to certain conditions (such as no employee complaint, no report on arrears of salaries and a relatively low dismissal rate). There were no unfulfilled conditions or contingencies relating to the government grants. The timing, amounts and conditions of these government grants were within the sole discretion of the government and these government grants may be reviewed and assessed by the government periodically and may fluctuate from time to time pursuant to the changes in relevant government policies. The majority of our government grants received were non-recurring in nature. For details, see "Risk Factors — Any discontinuation, reduction or delay of government grants that may be available to us in the future could materially and adversely affect our business, financial condition and results of operations."

Profit for the year

Our profit for the year increased from RMB53.9 million for FY2020 to RMB59.0 million for FY2021, primarily due to (i) the increase in other income from government grants by RMB19.1 million during FY2021; and (ii) the increase in gross profit by RMB6.3 million for FY2021. The effect was partially offset by the increase in administrative expenses of RMB11.6 million mainly as a result of [REDACTED] of RMB[REDACTED] million being recognised in FY2021.

Our profit for the year decreased from RMB59.0 million for FY2021 to RMB52.7 million for FY2022, primarily due to (i) the increase in administrative expenses of RMB2.0 million mainly as result of [REDACTED] of RMB[REDACTED] million being recognised for FY2022; and (ii) the increase in research and development expenses of RMB12.9 million mainly as a result of the expenses incurred in relation to the use of external third party database for the purpose of research and development.

Summary of consolidated statements of financial position

The following tables sets forth out a summary of our consolidated statements of financial positions as at the dates indicated.

	As at 31 December		
	2020	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*
Current assets	575,355	616,272	618,482
Current liabilities	323,352	303,546	280,577
Net current assets	**252,003**	**312,726**	**337,905**
Non-current assets	19,004	14,438	8,644
Non-current liabilities	3,570	2,133	55
Net assets	**267,437**	**325,031**	**346,494**
Non-controlling interests	1,523	—	—

Our net current assets increased from RMB252.0 million as at 31 December 2020 to RMB312.7 million as at 31 December 2021 primarily due to the increase in trade receivables as the result of increase in revenue for the fourth quarter in 2021 as compared with the same period in 2020 and the decrease in the use of trade receivables factoring facilities, the effect of which was partially offset by the (i) increase in our borrowings; (ii) the decrease in trade and other payables; and (iii) decrease in our contract assets.

Our net current assets increased from RMB312.7 million as at 31 December 2021 to RMB337.9 million as at 31 December 2022 primarily due to (i) the increase in deposits, other receivables and prepayments and cash and cash equivalents and (ii) the decrease in lease liabilities, trade and other payables and income tax payables, the effects of which were partially offset by (i) the decrease in trade receivables and financial assets at fair value through profit or loss and (ii) the increase in borrowings.

Net assets

Our net assets increased from RMB267.4 million as at 31 December 2020 to RMB325.0 million as at 31 December 2021 primarily due to the net profit of RMB59.0 million for FY2021, the effect of which was partially offset by shareholding acquisition from non-controlling interests for a subsidiary of RMB1.5 million for FY2021.

Our net assets further increased from RMB325.0 million as at 31 December 2021 to RMB346.5 million as at 31 December 2022 primarily due to the net profit of RMB52.7 million and capital injection from a new shareholder of RMB3.5 million for FY2022, the effect of which was partially offset by the decrease in other reserves of RMB34.7 million arising from the acquisition of minority interests of Plus Shanghai as a result of the Reorganisation.

Summary of consolidated statements of cash flows

The following table sets forth a summary of our cash flows for the years indicated:

	FY2020	**FY2021**	**FY2022**
	RMB'000	*RMB'000*	*RMB'000*
Net cash generated from operating activities	45,803	20,110	71,603
Net cash generated from investing activities	83,976	4,794	4,527
Net cash used in financing activities	(139,889)	(13,697)	(33,743)
Net (decrease)/increase in cash and cash equivalents	(10,110)	11,207	42,387
Cash and cash equivalents at the beginning of the year	19,220	9,110	20,317
Cash and cash equivalents at the end of the year	**9,110**	**20,317**	**62,704**

Our net cash generated from operations slightly decreased from RMB59.3 million for FY2020 to RMB56.8 million for FY2021. The decrease was mainly attributable to the decrease in trade and other payables by RMB37.6 million as the said social security payments reduction policy was an one-off policy for FY2020, the effect of which was partially offset by (i) the increase in profit before income tax by RMB8.0 million; and (ii) the decrease in trade receivables by RMB27.0 million as the result of our efforts in collecting trade receivables from certain of our major customers during the Track Record Period.

Our net cash generated from operations increased from RMB56.8 million for FY2021 to RMB95.9 million for FY2022. The increase was mainly attributable to (i) the decrease in trade receivables by RMB120.2 million primarily because we entered into an agreement with one of our major customers during the Track Record Period, pursuant to which such customer agreed on a shorter settlement period with us; and (ii) the increase in contract liabilities by RMB3.9 million, the effects of which were partially offset by (i) the increase in contract assets by RMB40.8 million which was in line with our increased revenue; and (ii) decrease in trade and other payables by RMB30.7 million.

Key financial ratios

	As at or for the year ended 31 December		
	2020	**2021**	**2022**
Revenue growth(1)	–13.1%	0.7%	48.5%
Gross profit margin(2)	39.6%	40.9%	28.1%
Net profit margin(3)	13.0%	14.2%	8.5%
Adjusted net profit margin (Non-HKFRS measure)(4)	13.0%	16.2%	11.4%
Current Ratio(5)	1.8	2.0	2.2

Notes:

(1) Revenue growth ratio equals revenue growth divided by revenue for the same period of the last year.

(2) The calculation of gross profit margin is based on gross profit divided by revenue for the year.

(3) The calculation of net profit margin is based on profit for the year divided by revenue for the year.

(4) Adjusted net profit margin (Non-HKFRS measure) equals adjusted net profit (non-HKFRS measure) divided by revenues for the year.

(5) Current ratio is calculated based on the total current assets divided by the total current liabilities as at the end of the year.

[REDACTED] STATISTICS

	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]	**Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]**
[REDACTED] of our Shares *(Note 1)*	HK$[REDACTED]	HK$[REDACTED]
[REDACTED] adjusted consolidated net tangible assets attributable to owners of our Company per Share *(Note 2)*	HK$[REDACTED]	HK$[REDACTED]

Notes:

1. The calculation of [REDACTED] is based on [REDACTED] expected to be in issue immediately upon completion of the [REDACTED], assuming the [REDACTED] is not exercised.

2. Our [REDACTED] adjusted consolidated net tangible assets attributable to owners of our Company per Share is arrived at after the adjustments referred to in "[REDACTED] Financial Information" as set out in Appendix II to this document and on the basis that [REDACTED] Shares were in issue assuming the Share Subdivision and [REDACTED] had taken place on 31 December 2022, excluding the 1,000,000 Shares (after Share Subdivision) under the RSU Scheme that were accounted for as treasury shares, and without taking into account of any Shares which may be allotted and issued upon the exercise of the [REDACTED], or any Shares which may be allotted and issued or repurchased by our Company under the general mandate for the allotment and issuance of Shares or the general mandate for repurchase of Shares.

[REDACTED]

[REDACTED] represented professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. Assuming an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range) and no exercise of the [REDACTED], we expect to incur [REDACTED] of a total of RMB[REDACTED] million (equivalent to approximately HK$[REDACTED] million), representing approximately [REDACTED]% of the gross [REDACTED] from the [REDACTED] and consisting of RMB[REDACTED] million in [REDACTED] and RMB[REDACTED] million in [REDACTED] (comprising fees and expenses of legal advisers and reporting accountant of RMB[REDACTED] million and other fees and expenses of RMB[REDACTED] million). Our [REDACTED] charged to profit or loss amounted to RMB[REDACTED] million, RMB[REDACTED] million and RMB[REDACTED] million, for FY2020, FY2021 and FY2022, respectively.

In addition, we estimate that an additional [REDACTED] of RMB[REDACTED] million will be further incurred by us, of which RMB[REDACTED] million (comprising fees and expenses of legal advisers and reporting accountant of RMB[REDACTED] million and other fees and expenses of RMB[REDACTED] million) is expected to be charged to our consolidated statement of profit or loss and RMB[REDACTED] million (comprising [REDACTED] of RMB[REDACTED] million, fees and expenses of legal advisers and reporting accountant of RMB[REDACTED] million and other fees and expenses of RMB[REDACTED] million) is expected to be deducted from equity [REDACTED], which is directly attributable to the issue of the [REDACTED]. The [REDACTED] above are the best estimate as of Latest Practicable Date and for reference only and the actual amount may differ from this estimate.

[REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK$[REDACTED] million, assuming an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] range of HK$[REDACTED] and HK$[REDACTED] per [REDACTED]) and after deduction of [REDACTED], commissions 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$[REDACTED] million, will be used for enhancing our core technology capabilities and fundamental R&D
  - — [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used for continuous upgrading of our FMES platform and digitalised tools;
  - — [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used for establishing a cloud-based sales and marketing platform as a service (PaaS) system;
  - — [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used for enhancing our IT infrastructure;
  - — [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used for enhancing our Shanghai headquarters and Dalian R&D centre;
- [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used for strategic investment, acquisition and cooperation;
- [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used for enhancing our capabilities in sales and marketing and business development to further our business growth and brand awareness:
  - — [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used for increasing the size of our business team to accelerate the development of our customised marketing solution and tasks and marketers matching service over the next three years;
  - — [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used for providing more professional training to our business and operation team to strengthen their capabilities to serve our customers, thereby enhancing customer loyalty;
  - — [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used for expanding and diversifying our sales and marketing channels;
- [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used for repaying our bank borrowings; and
- [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used as our working capital for general purposes.

DIVIDEND

No dividend has been paid or declared by our Company since its incorporation. Save for the dividends of RMB165.0 million declared by Plus Shanghai to its then shareholders for FY2020, no dividend was declared or paid by our Group during the Track Record Period and up to the date of this document.

Our Company is a holding company incorporated in the Cayman Islands. Although currently we do not have a formal dividend policy or a fixed dividend distribution ratio, our Board may recommend a payment of dividend in the future after taking into account our operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, capital expenditure and future development requirements, Shareholders' interests and such other conditions and other factors which they may deem relevant at such time. Any declaration and payment as well as the amount of the dividend shall be proposed and approved by the Board in accordance with the Articles, the Cayman Companies Act and any applicable laws and regulations. Any future declarations of dividend may or may not reflect our historical declarations of dividend and will be at the absolute discretion of our Directors. There is no assurance that dividends of any amount will be declared or be distributed in any year.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal proceedings

We may be subject to legal proceedings, investigations and claims arising in the ordinary course of our business from time to time. During the Track Record Period and up to the Latest Practicable Date, save as disclosed in "Business — Legal proceedings and compliance — Legal proceedings", our Directors confirmed that there had been no litigation or arbitration or administrative proceedings pending or threatened against our Group or any of our Directors which could have a material adverse effect on our Group's financial condition or results of operation.

Compliance

During the Track Record Period and up to the Latest Practicable Date, as advised by our PRC Legal Adviser, there were no breaches or violations of applicable PRC laws and regulations that may have a material and adverse impact on our business, financial condition or results of operation taken as a whole, and we had obtained all material requisite licences and approvals from relevant governmental authorities for our operations in the PRC.

IMPACT OF COVID-19 PANDEMIC ON OUR OPERATIONS

Since December 2019, a novel strain of COVID-19, has severely impacted China and many other countries. On 11 March 2020, the World Health Organisation declared COVID-19 a global pandemic. Many businesses and social activities in China and other countries and regions have been severely disrupted, particularly in the first quarter of 2020. Although conditions have substantially improved since late March 2020 in the PRC, there was a slight rebound of number of confirmed cases of COVID-19 in certain cities afterwards. In 2022, a number of positive COVID-19 cases appeared in certain areas of Shanghai and other locations in China, which eventually led to resurgence of COVID-19 outbreak in various parts of China. In response to COVID-19, the PRC government has from time to time imposed various mandatory quarantine, which included temporary lockdown of residential areas and closures of offline retail stores, offices and workplaces and other facilities, implementation of "closed-door" production or work from home arrangement of non-essential business and suspension of public transportation. These measures have caused a temporary decline in the business activities in various industries in which our customers operate and the restricted movement of individuals has disrupted the operations of the offline retail network and consumer demand for certain FMCG merchandise and thus, in turn affect our business operations and financial results during the Track Record Period. For details, please refer to "Business — Impact of COVID-19 Pandemic On Our Operation". Moreover, our operation efficiency was affected to a certain extent because our staff were required to work from home from time to time.

In view of the PRC government's recent relaxation of the national COVID-19 prevention measures since December 2022 (such as the PRC authorities releasing measures to accelerate the economic recovery and resume normal operations of the society and the lifting up of quarantine measures and travel restrictions), and notwithstanding the soaring of infections in late December 2022 and early January 2023, our Directors remain cautiously optimistic with our operations in the future. With information currently available to our Directors (including (i) the fact that since December 2022 and up to the Latest Practicable Date, there was no cancellation or postponement of contracts/projects; (ii) the fact that we did not experience any material shortage of labour and the number of average monthly active marketers of over

26,000 for January 2023 remained relatively stable as compared with FY2021 and FY2022; (iii) the number of completed tasks of around 69,000 in January 2023 remained relatively stable as compared with other months in FY2022; (iv) our Group staff has gradually returned to offices and thus, our operation efficiency has gradually resumed to normal; and (v) market information based on our regular communication with our key customers and suppliers) and after taking into account the governmental measures implemented, up to the Latest Practicable Date, our Directors were not aware of any material adverse impact of such relaxation of the national COVID-19 policy and consequent resurgence of COVID-19 in the PRC since late 2022 on the Group's operations and financial performance. Our Directors are of the view that COVID-19 shall not have a permanent impact on us or materially disrupt our business operations as the demand for our services will gradually resume along with the recovery of the retail market, as well as the retail support service market. Our Directors will continue to assess the impact of the COVID-19 on our operations and financial performance and closely monitor our exposure to the risks and uncertainties in connection with the COVID-19.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Business developments

Having considered our customers generally require a broader range of sales and marketing services from us over the years, we believe that in the future, more of our marketers assignment service customers may choose and switch to our customised marketing solution and/or tasks and marketers matching service.

In January 2023, we entered into customised marketing solution service contracts with Customer D, under which we shall provide a nationwide coverage of customised marketing solution, including raising brand awareness and merchandise promotion at designated offline retail stores. Such service contracts have an aggregate maximum contract amount of RMB375 million and will involve around 4,300 employee marketers. We believe that these new contracts will strengthen our customised marketing solution and enhance our income stream.

Financial developments

Our net profit may experience a decrease for the year ending 31 December 2023 as compared to that of the year ended 31 December 2022, mainly due to (i) the expected [REDACTED] to be incurred during the year; and (ii) the possible decrease in our other income as majority of our government grants received in FY2022 were non-recurring in nature and the timing, amounts and conditions of these government grants were within the sole discretion of the government, which we may not be able to receive those government grants at similar levels in 2023.

Our Company had granted with an aggregate of 20,000 underlying Shares, which has been adjusted to 1,000,000 underlying Shares after the completion of the Share Subdivision, representing [REDACTED] of the issued Shares immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised) on 31 March 2023. It is expected that the grant of the RSU will cause our Group to incur share-based payment expenses during the vesting period. As such, the recognition of share-based payment expenses will lead to a negative financial impact on our Group's net profit for the year ending 31 December 2023.

Recent regulatory developments

Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies

On 17 February 2023, China Securities Regulatory Commission (the "**CSRC**") issued the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Trial Measures**") and five supporting guidelines, the Trial Measures came into effect on 31 March 2023. According to the Trial Measures, a filing-based regulatory regime is adopted to regulate both direct and indirect overseas securities offering and listing by the domestic companies.

The Trial Measures provide that an overseas listing or offering is explicitly prohibited under any of the following circumstances: (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules of the PRC; (ii) the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company, its controlling shareholder(s) or the actual controller have committed relevant crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

According to the Trial Measures, if the listing applicant meets both of the following conditions, its overseas offering and listing be determined as an indirect overseas offering and listing by a domestic company: (i) any of the total assets, net assets, revenues or profits of its domestic operating entities in the most recent accounting year accounts for more than 50% of the corresponding figure in its audited consolidated financial statements for the same period; (ii) its major operational activities are carried out in China or its main places of business are located in China, or the senior managers in charge of its operation and management are mostly Chinese citizens or are domiciled in China. As advised by our PRC Legal Adviser, our proposed [REDACTED] and [REDACTED] falls within the scope of indirect overseas [REDACTED] and [REDACTED] of a domestic company because we meet both of the conditions stated above, and therefore we will be subject to the filing procedures with the CSRC.

On 17 February 2023, the CSRC also issued the Notice on Administration for the Filing of Overseas Offering and Listing by Domestic Companies (關於境內企業境外發行上市備案管理安排的通知). According to the Notice, the domestic companies that have already been listed overseas on or before the effective date of the Overseas Listing Trial shall be deemed as existing, which are not required to complete the filling procedures immediately, and they shall be required to file with the CSRC when subsequent corporate actions are involved. Further, domestic companies that have obtained approval from overseas regulatory authorities or securities exchanges (for example, a contemplated offering and/or listing in Hong Kong has passed the hearing for the listing application of its shares on the Stock Exchange) for their indirect overseas offering and listing prior to the effective date of the Trial Measures (i.e. 31 March 2023) but have not yet completed their indirect overseas issuance and listing, are granted a six-month transition period from 31 March 2023. Those who complete their overseas offering and listing within such six-month period, before 30 September 2023, are deemed as existing issuers and are not required to file with the CSRC for their overseas offering and listing within such six-month transition period.

Based on the foregoing, as advised by our PRC Legal Adviser, we are not required to complete the overseas [REDACTED] filing provided that: (i) we pass the [REDACTED] for the [REDACTED] in relation to the [REDACTED] on the Stock Exchange prior to 31 March 2023, (ii) we complete our [REDACTED] and [REDACTED] on the Stock Exchange on or prior to 30 September 2023, and (iii) we are not required to go through a new [REDACTED] with the Stock Exchange during the period between 31 March 2023 and 30 September 2023. Based on the above advice of our PRC Legal Adviser, our Directors are of the view that, and the Joint Sponsors concur that, we are not required to complete the overseas [REDACTED] filing provided that the aforementioned requirements are satisfied. Our Directors believe that there is no foreseeable material impediment for our Company to complete such filing procedures, if required, because (i) as advised by our PRC Legal Adviser, we do not fall under any of the circumstances specified in the Trial Measures under which overseas [REDACTED] and [REDACTED] are prohibited; (ii) in addition, we had not received any inquiry, notice, warning, or order prohibiting us from getting [REDACTED] on the Stock Exchange from the CSRC or any other PRC government authorities; and (iii) we will continue to monitor our compliance with the Trial Measures and we will perform the filing procedures or information reporting procedures according to the timing requirements applicable to us.

For details, see "Regulatory Overview — Laws and Regulations Relating to M&A and Overseas Listings".

No material adverse change

Our Directors confirm that, up to the date of this document, save for the subsequent events as described in Note 29 to the Accountant's Report in Appendix I to this document and the recent developments as set out in "Summary — Recent developments and no material adverse change", there has been no material adverse change in our financial, operational or trading positions or prospects since 31 December 2022, being the date of our consolidated financial statements as set out in the Accountant's Report included in Appendix I to this document and there has been no event since 31 December 2022 that would materially affect the information as set out in the Accountant's Report in Appendix I to this document.