

FUTURE PLANS AND USE OF [REDACTED]

See “Business — Our Strategies” for a detailed description of our future plans.

USE OF [REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED], after deducting [REDACTED], fees and estimated expenses payable by us in connection with the [REDACTED], and assuming an [REDACTED] of HK\$[REDACTED] per Share, which is the mid-point of the indicative [REDACTED] range stated in this document. If the [REDACTED] is set at HK\$[REDACTED] per Share, which is the high end of the indicative [REDACTED] range, the [REDACTED] from the [REDACTED] will increase by approximately HK\$[REDACTED]. If the [REDACTED] is set at HK\$[REDACTED] per Share, which is the low end of the indicative [REDACTED] range, the [REDACTED] from the [REDACTED] will decrease by approximately HK\$[REDACTED].

Assuming an [REDACTED] at the mid-point of the indicative [REDACTED] range, we currently intend to apply these [REDACTED] for the following purposes:

- approximately 30.0%, or HK\$[REDACTED], will be used to enhance and expand our online game publishing business and other marketing business and consumer product business over the next four years, including:
- approximately 25.0%, or HK\$[REDACTED], will be used to enhance and expand the product/sector coverage of our online game publishing business and other marketing business over the next four years, including:
 - approximately 12.5%, or HK\$[REDACTED], will be used to enhance and expand the product/sector coverage of our online game publishing business and other marketing business over the next four years. Specifically, approximately 5.0%, or HK\$[REDACTED], will be used to convert game products in development that we have been authorized to market and operate from the pipeline status to final commercialization. We expect to launch 30 to 50 new game products in 2023, including role-playing game (RPG), casual game and simulation game (SLG). Among the game products we expect to launch in 2023, we will continue to focus on the marketing and operation of RPG products based on our current market analysis. We also plan to expand genres coverage of our game pipeline, including casual games and SLG, to identify and capture new market opportunities in the next few years.
- approximately 10.0%, or HK\$[REDACTED], will be used to purchase new game IPs over the next four years. We consider the following factors when selecting new game IPs that we intend to market and operate: (i) the long-lasting potential of the game IPs; (ii) the potential fan base of the IPs, including the number of fans, loyalties and willingness to purchase; and (iii) the popularity of the IPs, including the persistence of their popularity and the capability to derive new content from these IPs. In particular, we plan to

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secure new collaboration opportunities to allow us to market and operate new mobile games and content with potential to realize long-lasting effects. We plan to enter into new framework service agreements with reputable game developers over the next four years for approximately 30 new mobile games under development, by capitalizing on our reputation as a competitive online game publisher in China’s mobile game industry and leveraging our marketing data analytics capabilities.

- approximately 2.5%, or HK\$[REDACTED], will be used to expand our portfolio beyond game products over the next four years. Specifically, in addition to game products, we plan to export our core capabilities to enabling marketing of approximately five more online literature products and approximately two other products, such as animation. Meanwhile, we will actively explore opportunities to research and develop high-quality content independently, which in turn enable the sufficient supply of diversified and high-quality content.
- approximately 5.0%, or HK\$[REDACTED], will be used to enhance and expand our consumer product business over the next four years, including:
 - approximately 2.5%, or HK\$[REDACTED], will be used to enhance our Zha Zha Hui brand through expanding our instant food products categories and enhancing its brand recognition over the next four years. First, we strive to expand our instant food product offerings in different consumption scenarios and to continuously introduce new product categories beyond rice noodles, such as seasoned food products and bean-based products. In particular, we will further optimize the consumption experience of our Zha Zha Hui series by introducing new flavors, upgrading packaging designs and enriching the nutrition value, so as to attract more customers. Second, we will further devote our efforts to enhance our brand recognition by establishing innovative and popular marketing campaigns to promote the instant food culture and creating connections with the game products we market and operate to enhance brand recognition. Third, we plan to exploit technologies such as big data, artificial intelligence, industrial internet and real-time computing to better understand the purchase behavior of our end-users, which in turn to further enhance our operating efficiency and management capabilities.
 - approximately 1.5%, or HK\$[REDACTED], will be used to enhance our Bro Kooli brand over the next four years. First, we will continue to enhance our brand awareness to attract more artists, approximately 10 over the next four years, to partner with our platform, which enable us to develop and launch more categories of pop toy products. Second, we plan to establish our in-house pop toy design department to enhance our in-house IP development capabilities. Third, in order to attract new pop toy fans and increase their stickiness, we plan to strengthen our marketing efforts to enhance brand

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influence. For example, we plan to attract fans through the pop toy conventions, autograph sessions, exhibits and other promotional activities.

- approximately 1.0%, or HK\$[REDACTED], will be used to potentially build new consumer product business or brands, including recruit approximately five consumer product designers with expertise in expanding a brand matrix into new verticals over the next four years.

We expect our product portfolio will be further diversified and enriched which in turn enable us to achieve sustainable growth. In the short run, we expect that (i) our cost of sales as well as our research and development costs will increase as we diversify and expand our product/sector coverage, and (ii) our selling and distribution expenses will increase as we invest more to develop our brand awareness for consumer product business. Such investments may result in a short-term downward pressure on our profit margin. In the long run, we believe our forecast financial growth will offset such impact as our investment in strengthening our core competitive advantages will allow us to develop and deliver additional and diversified products, expand and penetrate new industry verticals and achieve positive network effects.

- approximately 30.0%, or HK\$[REDACTED], will be allocated to expand and deepen our partnership with major market participants throughout the full lifecycle value chain to fulfill our growth strategy over the next four years. We plan to allocate the [REDACTED] as follows:
 - approximately 28.0%, or HK\$[REDACTED], will be used to strengthen our relationships with mainstream media platforms to enhance our brand awareness and end-user coverage over the next four years, which includes: (i) increasing marketing expenses with mainstream online media platforms to meet the evolving needs of the end-users and to further expand our collaborations with new online media platforms; (ii) expanding offline mainstream media platform collaborations, mainly through media promotion and multi-dimension offline marketing activities such as placing advertisements at transportation junctions and arranging more offline player community activities, as well as launching innovative cross-industry marketing campaigns frequently; (iii) promoting consumer product business through offline channels in second-tier cities or cities with great market potentials; and (iv) collaborating with external professional marketing team to design marketing materials for our integrated online and offline marketing activities;
 - Approximately 2.0%, or HK\$[REDACTED], will be used to hire additional marketing and operation personnel with competitive compensation over the next four years. These additional marketing and operation personnel will be primarily responsible for implementing online and offline marketing activities, designing marketing materials and strengthening product operation capabilities. In particular, we plan to recruit marketing and operation employees with more than five years of industry experience to optimize the communication process with our clients, end-users collaborating media platforms;

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- approximately 10.0%, or HK\$[REDACTED], will be allocated to improve our technology infrastructure and enhance our internal research and development capabilities over the next four years, including:
 - approximately 6.0%, or HK\$[REDACTED], will be used to upgrade and strengthen our IT infrastructure to support our business growth over the next four years by (i) implementing various IT software for marketing and operating online games, including firewalls and other internet security software, data transmission software and software for designing marketing materials; and (ii) purchasing additional cloud services products, software and other maintenance-related services, as well as technologies with potential to develop Web 3.0-based game products;
 - approximately 4.0%, or HK\$[REDACTED], will be used to recruit 60 more IT staff over the next four years, including programmers, software developing and testing engineers, big data developers and algorithm experts. Specifically, we plan to use these additional talents to (i) improve and enhance our existing core underlying technology platforms, such as Hetu (河圖) and Luoshu (洛書) system, to enhance our data analysis capabilities and improve end-user experience; (ii) upgrade our existing technology infrastructure to enhance storage and computing capacities and system security, with the goal to provide technical support for our expanded game product portfolio; (iii) to further develop cutting-edge data analysis technology platform and our intelligent machine learning model training platform to further enhance the accuracy for our marketing activities. We will continue to attract and retain top-notch experts in IT, data science and AI sectors to support our fast-growing business; and (iv) to further develop innovative technologies with potential to develop Web 3.0-based game products. Particularly, we require our technology staff to hold an IT-related master degree and they need to have with at least three years of industry experience.

According to Frost & Sullivan, IT staff in mobile game industry have an average annual remuneration ranging from RMB10,000 to RMB18,000 in China. We plan to offer our IT staff an industry compatible salary package. We will also consider factors including academic qualification, R&D specialties and industry experience to decide the respective salary package for our IT staff. We plan to use both our own capital resources and the [REDACTED] from the [REDACTED] to fund the salaries of our additional R&D headcount.

- approximately 10.0%, or HK\$[REDACTED], will be used to support our overall strategies of expanding into select markets outside China and developing our overseas operation over the next four years.

Specifically, we plan to focus on promoting our business in Japan, Southeast Asia, Hong Kong, Macau and Taiwan and gradually expand to Europe, the U.S. and other regions. We are currently more familiar with the business culture in the Asia Pacific markets, and plan to conduct comprehensive market research, such as competitive

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landscape analysis, localization evaluation, revenue sharing research, as well as legal, cultural and political assessment, to customize our expansion strategies based on local cultures, customs, lifestyles and end-user habits of a specific target. For example, we plan to build and operate our overseas player communities through local distribution and player acquisition channels and establishing and bolstering our relationships with overseas distribution channels, including iOS App Store and Google Play. We also intend to establish customized revenue sharing scheme with these local distribution and player acquisition channels to enhance our brand awareness and end-user coverage in overseas markets.

In addition, we plan to cooperate with popular local media platforms and distribution channels to provide our target end-users in different markets with customized game promotion content. We also plan to invite local KOLs to help with marketing and promotion. We plan to deepen our cooperation with major international distribution channels, including leading app stores, social media platforms and other upstream and downstream partners in the online game industry. We plan also to use our extensive experience in traffic acquisition and brand development activities to continuously attract and retain end-users and enhance monetization. Specifically,

- approximately 4.5%, or HK\$[REDACTED], will be used to expand the market share of our online game publishing business and consumer product business over the next four years through (i) collaborating with overseas independent game developers to develop localized online games, including game settings, characters, plots, gameplay and storylines; (ii) exploring opportunities of contents in consumer product business that suit the local culture and tastes; and (iii) continue to conduct market research such as competitive analysis, localization evaluation, as well as the legal, cultural and political assessment, to better assess the business opportunities.
- approximately 4.0%, or HK\$[REDACTED], will be used to develop our marketing and operation capabilities overseas through engaging international celebrities and KOLs to enhance our brand recognition over the next four years. We will consider various factors when selecting the international celebrities and KOLs including (a) the similarities of our targeted end-users and the celebrities and KOLs fan base; (b) the reach of the celebrities and the KOLs such as the total followers, view and shares; (c) the level of engagement of the celebrities and the KOLs and their audiences, such as the frequency of their interaction activities with their followers; and (d) the reputation and the history of the celebrities and KOLs.
- approximately 1.5%, or HK\$[REDACTED], will be used to recruit additional talents to support our expansion and development strategies in overseas markets over the next four years, including (i) recruiting over 20 research and development employees by 2026 in targeted overseas markets, including employees with experience in developing games of multiple genres and specialized in areas such as graphic design, game development, game testing, marketing, business management, computer engineering and data analysis. They will focus on developing and upgrading games with localized features and enhancing gameplay, graphic design,

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soundtracks and technical support for the operation of online games in the overseas market; (ii) recruiting over 30 sales and marketing employees with at least two years of industry experiences to enhance the efficiency of our marketing efforts and increase our penetration rate by launching local marketing campaigns and establishing relationships with local media platforms and distribution channels; and (iii) recruiting five to 10 general staff with bachelor’s or higher degrees to support our daily operations. We plan to use both our own capital resources and the [REDACTED] from the [REDACTED] to fund the salaries of additional employees in overseas markets.

- approximately 10.0%, or HK\$[REDACTED], will be used for exploring potential strategic acquisition opportunities starting from the second through the fourth year after the [REDACTED]. We believe it will allow us to expand our existing game product offerings, improve our technology capabilities, and enhance our value proposition to our clients. In particular, we intend to invest in or acquire companies upstream or downstream of the value chain of the online game industry.

Specifically, we will pursue suitable strategic investments and acquisitions only if we believe we have identified (i) businesses with proven monetization models in the mobile game market that synergize with our plans to enhance or broaden our service offerings or the game products marketed and operated by us, such as those that can leverage our data analysis capabilities; (ii) businesses that possess cutting-edge technologies such as AI, big data analytics and other technologies related to our business that would allow us to enhance our marketing data intelligence platforms, such as start-up companies or teams that have advanced AI, big data analytics or cloud computing platforms that can be integrated into and optimize our current technology platforms; (iii) the successful track record in the mobile game industry and extensive industry experience of the management team. The target company should have developed or marketed at least one successful game with either average monthly gross billings of over RMB100.0 million or a registered user base and active user base of over 50 million and 10 million, respectively; (iv) the abilities to develop, commercialize and operate online game products; and (v) businesses with successful consumer goods brands or manufacturing capabilities. Otherwise, we will only choose to work with qualified third-party partners described above to either obtain desired data labels from them or in-license desired technologies or solutions from them.

In terms of investment format, we prioritize an acquisition of reputable digital marketing technology companies with proprietary technology platforms or diverse distribution channels to supplement and enhance our data-driven decision-making technology platforms. We may also seek to identify promising app studios and online game development companies to gradually establish our in-house game development capabilities and stay at the forefront of the online game industry. We may choose to work with them to co-develop algorithm models to enrich our data analytics capabilities or in-license or purchase the technologies or products that we deem desirable for our business. We also intend to discover companies that focus on developing metaverse

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games which will create synergies with our existing business and further expand our business coverage.

Our Directors are of the view that there is a sufficient number of qualified app studios or companies we could choose from and the potential strategic investments and acquisitions will not have a material effect on our financial position. We expect to implement this plan in the next four years. As of the Latest Practicable Date, we had not proposed to invest in any specific acquisition target or identified any such targets for the use of [REDACTED] from the [REDACTED]. As we operate in a fast-growing industry, we will thoroughly consider expanding our business scale and market share through strategic investment, acquisition, licensing, or collaboration. As a result of such plans, in the short term, we may have net cash outflow in investing activities and increased goodwill. In the long term, we believe such impact will be absorbed by our growth, as such plans will allow us to strengthen our technical and marketing data analytics capabilities and realize synergies from business integration and cooperation, so as to drive revenue growth and margin expansion.

- approximately 10.0%, or HK\$[REDACTED], will be used for our working capital and general corporate purposes.

The above allocation of the [REDACTED] from the [REDACTED] will be adjusted on a *pro rata* basis in the event that the [REDACTED] is fixed at a higher or lower level compared to the mid-point of the indicative [REDACTED] range stated in this document. If the [REDACTED] is exercised in full, the [REDACTED] that we will receive will be approximately HK\$[REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] range). In the event that the [REDACTED] is exercised in full, we intend to apply the additional [REDACTED] to the above purposes in the proportions stated above.

To the extent that the [REDACTED] are not immediately applied to the above purposes and to the extent permitted by the relevant law and regulations, so long as it is deemed to be in the best interests of the Company, we will only hold such funds in short-term deposits with licensed banks or authorized financial institutions (as defined under the Securities and Futures Ordinance, the Law of the People’s Republic of China on Commercial Banks (《中華人民共和國商業銀行法》) and other applicable laws in the PRC). We will make an appropriate announcement if there is any change to the above proposed use of [REDACTED].