
FUTURE PLANS AND [REDACTED]

BUSINESS OBJECTIVES AND STRATEGIES

Our objective is to strengthen our market position as a branding, advertising and marketing solution service provider in the PRC and further increase our market share. Please refer to the section headed “Business – Business strategies” in this document for a detailed description of our business strategies and future plans.

[REDACTED]

We estimate that the aggregate [REDACTED] from the [REDACTED] (after deducting the related [REDACTED] and estimated expenses) based on the [REDACTED] of HK\$[REDACTED] per [REDACTED], being the [REDACTED] of the indicative [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED], will be approximately HK\$[REDACTED]. We intend to apply such [REDACTED] in the following manner:

- approximately [REDACTED]%, or HK\$[REDACTED], is expected to be used to strengthen our data analytical capabilities and further enhance our branding services, consisting of:
 - approximately [REDACTED]%, or HK\$[REDACTED] million is expected to be used to establish our branding data platform and R&D database;
 - approximately [REDACTED]%, or HK\$[REDACTED], is expected to be used to acquire more comprehensive market and industry data; and
 - approximately [REDACTED]%, or HK\$[REDACTED], is expected to be used for recruitment of additional staff for our R&D department;
- approximately [REDACTED]%, or HK\$[REDACTED], is expected to be used to expand our online media advertising services, consisting of:
 - approximately [REDACTED]%, or HK\$[REDACTED] is expected to be used to enhance our online advertising platform; and
 - approximately [REDACTED]%, or HK\$[REDACTED], is expected to be used to develop our in-house content production capabilities;
- approximately [REDACTED]%, or HK\$[REDACTED], is expected to be used to expand the geographical reach of our services, consisting of:
 - approximately [REDACTED]%, or HK\$[REDACTED] is expected to be used to set up our Beijing office; and
 - approximately [REDACTED]%, or HK\$[REDACTED], is expected to be used to set up our Shanghai office;

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- approximately [REDACTED]%, or HK\$[REDACTED], is expected to be used to improve our brand recognition and increase our marketing efforts;
- approximately [REDACTED]%, or HK\$[REDACTED], is expected to be used for repayment of part of our bank loans, details of which are as follows:

Type of loan	Maturity date	Annual interest rate	Outstanding principal amount (RMB'000)
Guaranteed bank loan	25 September 2023 (Note 1)	5.15%	[REDACTED]
	19 October 2023 (Note 1)	4.35%	[REDACTED]
	30 December 2023	4.00%	[REDACTED]
	11 January 2024	4.65%	[REDACTED]
	19 March 2024	4.50%	[REDACTED]
	19 March 2024	4.50%	[REDACTED]
	26 April 2024	4.65%	[REDACTED]

As at the Latest Practicable Date, our Group was also negotiating with certain banks for new borrowings and it is expected that our Group will enter into loan agreements for such new bank borrowings in the second half of 2023 and part of such new borrowings will be settled with this part of the [REDACTED] from the [REDACTED].

Note:

1. As confirmed by the Directors, our Group will arrange re-financing of the loans upon the maturity date.
- approximately [REDACTED]%, or HK\$[REDACTED], is expected to be used for our working capital and general corporate purposes.

Assuming [REDACTED] is not exercised, in the event that the [REDACTED] is fixed at the high-end, being HK\$[REDACTED] per [REDACTED], or the bottom-end, being HK\$[REDACTED] per [REDACTED], compared to the [REDACTED] of the [REDACTED], the [REDACTED] of the [REDACTED] will increase or decrease by approximately HK\$[REDACTED] or HK\$[REDACTED], respectively, and the above allocation of the [REDACTED] from the [REDACTED] will be adjusted on a pro-rata basis accordingly.

To the extent that the [REDACTED] from the [REDACTED] are not immediately applied to the disclosed purposes and to the extent permitted by applicable laws and regulations, our Directors will only deposit such [REDACTED] with authorised financial institutions and/or licensed banks (as defined under the Securities and Futures Ordinance) in Hong Kong.

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IMPLEMENTATION PLAN

The following table sets forth a summary of our implementation plan from 1 November 2023 to 30 June 2025:

Business strategies	Aggregate amount (HK\$'million)	Breakdown % (HK\$'million)	Approximate [REDACTED] to be utilised		
			For the period from 1 November 2023 to 31 December 2023 (HK\$'million)	For the year ending 31 December 2024 (HK\$'million)	For the period from 1 January 2025 to 31 October 2025 (HK\$'million)
Strengthen data analytical capabilities and further enhance our branding services	[REDACTED]	[REDACTED]			
(i) Establish our branding data platform and R&D database			[REDACTED]	[REDACTED]	[REDACTED]
(ii) Acquire more comprehensive market and industry data			[REDACTED]	[REDACTED]	[REDACTED]
(iii) Recruitment of additional staff for our R&D department			[REDACTED]	[REDACTED]	[REDACTED]

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	Aggregate amount (HK\$'million)	Breakdown % (HK\$'million)	Approximate [REDACTED] to be utilised		
			For the period from 1 November 2023 to 31 December 2023 (HK\$'million)	For the year ending 31 December 2024 (HK\$'million)	For the period from 1 January 2025 to 31 October 2025 (HK\$'million)
Business strategies					
Expand our online media advertising services	[REDACTED]	[REDACTED]			
(i) Enhance our online media advertising platform					
– Engagement of IT service provider to enhance our online media advertising platform			[REDACTED]	[REDACTED]	[REDACTED]
– Procurement of software			[REDACTED]	[REDACTED]	[REDACTED]
– Procurement of hardware			[REDACTED]	[REDACTED]	[REDACTED]
(ii) Develop in-house content production capabilities					
– Setting up of video studio premises			[REDACTED]	[REDACTED]	[REDACTED]
– Purchase of equipment and software			[REDACTED]	[REDACTED]	[REDACTED]
Expand the geographical reach of our services	[REDACTED]	[REDACTED]			
(i) Setting up of new office in Beijing					
– Rental cost			[REDACTED]	[REDACTED]	[REDACTED]
– Decoration cost			[REDACTED]	[REDACTED]	[REDACTED]
– Staff cost			[REDACTED]	[REDACTED]	[REDACTED]
– Office facilities cost			[REDACTED]	[REDACTED]	[REDACTED]
– Other administrative expenses			[REDACTED]	[REDACTED]	[REDACTED]
(ii) Setting up of new office in Shanghai					
– Rental cost			[REDACTED]	[REDACTED]	[REDACTED]
– Decoration cost			[REDACTED]	[REDACTED]	[REDACTED]
– Staff cost			[REDACTED]	[REDACTED]	[REDACTED]
– Office facilities cost			[REDACTED]	[REDACTED]	[REDACTED]
– Other administrative expenses			[REDACTED]	[REDACTED]	[REDACTED]
Improve our brand recognition and increase our marketing efforts	[REDACTED]	[REDACTED]			
– Organise and host marketing events and activities			[REDACTED]	[REDACTED]	[REDACTED]
Repayment of bank loans	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Working capital	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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BASES AND ASSUMPTIONS

The implementation plan set out by our Directors is based on the following bases and assumptions:

- (a) there will be no material changes in existing laws and regulations, or other government policies relating to our Group, or in the political, social, economic or market conditions in which our Group operates;
- (b) there will be no material changes in the funding required for each of the planned application of funds in this section and as described in the paragraph headed “[REDACTED]” in this section as estimated by our Directors;
- (c) the [REDACTED] will be completed in accordance with and as described in the section headed “[REDACTED]” in this document;
- (d) we will be able to retain the key staff in the management and the professional team;
- (e) we will have sufficient financial resources to meet the planned capital expenditures and business development requirements during the period to which the business objective relates;
- (f) there will be no changes in the effectiveness of the licences, permits and qualifications obtained by our Group, where applicable;
- (g) there will be no significant change in our Group’s business relationship with our customers, suppliers, subcontractors and landlords;
- (h) there will be no material changes in the bases or rates of taxation applicable to the activities of our Group;
- (i) there will be no wars, military incidents, pandemic diseases, disasters, natural, political or otherwise, which would materially disrupt the business or operation of our Group;
- (j) we will be able to continue our operation in substantially the same way as we have been operating and we will also be able to carry out our development plans without disruption; and
- (k) our Group will not be materially affected by the risk factors as set out in the section headed “Risk Factors” in this document.

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REASONS FOR THE [REDACTED]

Commercial rationale for the [REDACTED]

Our Directors believe that the [REDACTED] is strategically critical to the long-term growth of our Group for reasons set out below:

(i) Funding needs for our business expansion

According to Frost & Sullivan, from 2017 to 2022, the total expenditure in integrated branding, advertising and marketing solution service market in China experienced a rapid increase from RMB624.1 billion to RMB1,049.8 billion, with a CAGR of 11.0%. In the future, the integrated branding, advertising and marketing solution service market in China is expected to maintain a rapid development, with the total expenditure reaching RMB1,538.0 billion by the end of 2027, representing a CAGR of 7.9% from 2022 to 2027.

In order to capitalise on the growing business opportunities in the integrated branding, advertising and marketing solution service market and increase our market share, our Group has to continuously increase our competitiveness by implementing our business strategies including: (i) strengthen our data analytical capabilities and further enhance our branding services; (ii) expand our online media advertising services; (iii) expand the geographical reach of our services; and (iv) improve our brand recognition and increase our marketing efforts.

In view of the above, we have a genuine funding need. Through the [REDACTED], we can raise funds from the [REDACTED] and apply the [REDACTED] to the implementation plans as discussed in this section. For the period ending from 1 November 2023 to 31 December 2023, the year ending 31 December 2024 and the period ending from 1 January 2025 to 31 October 2025, we expect our future plan will cost approximately HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED], respectively. Our cash and cash equivalents amounted to approximately RMB35.9 million as at 30 April 2023. After considering our expected expenditure and expenses, our Directors are of the view that our current capital resources is insufficient to cover our funding needs and the [REDACTED] from the [REDACTED] is necessary for the successful implementation of our future plans. In particular, our existing level of capital resources may no longer be adequate as we continue to grow and expand our business. If we face net operating cash outflow and do not have sufficient working capital at that time, we may have to fund our operating costs by obtaining more bank borrowings on terms which may be unfavourable to us, resulting in additional finance costs and interest rate risk exposure and we still may not be able to meet our payment obligations including our trade payables and implement our expansion plans in a synchronised and timely manner.

We do not have any material amount of fixed assets available for security or pledge to support us to secure a higher amount of banking facilities for our business needs, or may also be subject to unfavourable terms and additional finance costs. Therefore, our Directors are of the view that it is in the interest of our Group not to fully utilise our internal resources and bank borrowings for funding our expansion plans.

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Our Directors believe that the [REDACTED] will facilitate the implementation of our business strategies by providing additional funding for us to implement our business strategies, thereby strengthening our competitiveness as a branding, advertising and marketing solution service provider and increasing our market presence in branding, advertising and marketing solution service market in the PRC.

(ii) Enhancing our corporate profile and market position

Our Directors consider that the [REDACTED] status would further enhance our Group’s corporate profile and brand awareness as well as increase our competitiveness. Apart from the [REDACTED] obtained from the [REDACTED], our Directors are of the view that public [REDACTED] status on the Stock Exchange is a complementary advertising for our Group to potential investors and customers, which can enhance our corporate profile and our credibility with the public and potential business partners given a public [REDACTED] company will have greater transparency, relevant regulatory supervision and stability generally. The [REDACTED] status will therefore serve to promote our corporate profile and brand awareness. Moreover, we believe that the [REDACTED] will further strengthen our internal control and corporate governance practices, which in turn will increase our customers’ confidence in our services and thereby attract more potential customers, especially those sizeable customers who may be more inclined towards engaging a counterpart service provider with proven track record, solid and transparent corporate status and reputation. Therefore, our Directors believe that a public [REDACTED] status will generate reassurance among our Group’s customers and enhance our competitiveness in the market which will contribute to expansion of our market share and drive our business performance and growth.

(iii) Enhancing our staff morale and loyalty

A public [REDACTED] status will also facilitate us in motivating, retaining and attracting talents to join our Group. Access to a larger pool of talents will improve our service quality and facilitate our recruitment of additional manpower under our future plans. In addition, the status of being a [REDACTED] company will facilitate our in-house talent management, through offering equity-based incentive programme (such as share option scheme) to our staff, staff retention and development, thereby our existing staff may be motivated to further develop their career with us in view of the incentive programmes which directly correlates to their performance and our business and perceived status associated with working for a [REDACTED] company in Hong Kong.

(iv) Advantages of equity financing over debt financing

In choosing between debt financing and equity financing, our Directors noted that equity financing provides non-financial benefits which debt financing cannot provide, including that (i) debt financing from banks or financial institutions normally requires charge of properties or other significant assets which our Group currently lacks, or requires personal guarantee from our Controlling Shareholders which may result in us placing reliance on our Controlling Shareholders; (ii) debt financing and equity financing are not mutually exclusive, but our Group is expected to be in a better position to negotiate with banks and financial institutions

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for more favourable terms in debt financing such as higher amount of credit facility and lower interest rate if we are a [REDACTED] company with enlarged equity and financial capital base; (iii) our Directors consider that, despite the cost of equity financing by way of [REDACTED] after taking into account the [REDACTED] might not be lower than debt financing, equity financing will broaden our Group’s capital base, rather than a short-term uplift, and provide a platform for our Company’s fund raising in the long-run and on a recurring basis, which is not limited to the amount of [REDACTED] to be raised in the [REDACTED], to finance our future business expansion and long-term development; and (iv) interest expenses will be incurred when our Group pursues debt financing exercise which will adversely affect our financial performance. Therefore, notwithstanding that our Group did not have a material amount of borrowings during the Track Record Period and up to the Latest Practicable Date, our Directors consider that the above intangible benefits brought by the [REDACTED] and equity financing would justify the costs and uncertainties involved in the [REDACTED], and prefer to pursue equity financing to implement our business strategies.

(v) *Providing fund-raising platform, create liquidity for our Shares and broaden our Shareholder base*

The [REDACTED] will enable our Group to be accessible to a wider investor base and additional fund-raising avenues with direct access to the capital market and for secondary fund-raising after [REDACTED] to fund our existing and future operations and development. After [REDACTED], investors will have access to equity markets for trading of our Shares. Once there is liquidity of our Shares through the [REDACTED], our shareholder base will be broadened, thereby our Company can diversify our capital-raising activities rather than solely relying on the revenue generated from our business operation and debt financing.