

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

See “Business — Our Business Strategies” in this prospectus for detailed disclosures of our future plans.

USE OF PROCEEDS

The following table sets forth the estimated net proceeds of the Global Offering which we will receive, after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering (the “**Net Proceeds**”):

Amount of Net Proceeds	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>
If the Offer Price is fixed at HK\$1.26 per Share (being the high end of the Offer Price range stated in this prospectus)	115.6	138.1
If the Offer Price is fixed at HK\$1.17 per Share (being the mid-point of the Offer Price range stated in this prospectus)	104.8	125.8
If the Offer Price is fixed at HK\$1.08 per Share (being the low end of the Offer Price range stated in this prospectus)	94.1	113.4

To implement our strategies, we currently intend to apply the Net Proceeds (assuming the Offer Price of HK\$1.17 per Share, being the mid-point of the indicative Offer Price range and the Over-allotment Option is not exercised) in the following manner:

- 30.4% or HK\$31.9 million for wholly or partly funding the upfront costs (excluding the staff cost) of two enterprise IT solutions projects with estimated contract value of HK\$131.8 million in aggregate and estimated commencement date in mid-2022, among which (i) 19.7% or HK\$20.6 million for funding the upfront costs of a project involving the design and deployment of data network infrastructure and surveillance network in connection with the New Cotai Resort Hotel in Macau; and (ii) 10.7% or HK\$11.2 million for funding the upfront costs of a project involving the deployment of server and storage service for the New Cotai Resort Hotel. For details, see “Business — Our Business Strategies” in this prospectus;
- 43.8% or HK\$45.9 million for capturing business opportunities in the Greater Bay Area by (i) expanding the geographical reach of our enterprise IT solutions business by the establishment of sales and operational teams in Hengqin and Nansha; and (ii) establishing an integrated operational centre for the provision of managed services, among which, (a) 28.0% or HK\$29.3 million for partly funding the salary package in connection with the additional staff for the new sales and operational teams (comprising 30 staff and 25 staff in Hengqin and Nansha, respectively); (b) 4.2% or HK\$4.4 million for purchasing office equipment, hardware and software required for use in Hengqin and Nansha offices; (c) 1.1% or HK\$1.2 million for purchasing hardware and software incidental to the establishment of a solutions laboratory in Hengqin; (d) 7.1% or HK\$7.4

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million for funding the salary package in connection with 14 technical and engineering staff for the provision of managed services in the integrated operational centre to be established in Hengqin; and (e) 3.4% or HK\$3.6 million for purchasing office equipment, hardware and software and operation tools incidental to the offering of 24/7 managed services in the integrated operational centre in Hengqin.

The following table sets forth the breakdown of the use of Net Proceeds for the establishment of sales and operational teams in Hengqin and Nansha and an integrated operational centre in Hengqin:

	Expected periods of allocation of the Net Proceeds <i>(Note)</i>			
	From August 2022 to January 2023 <i>(HK\$' million)</i>	From February 2023 to July 2023 <i>(HK\$' million)</i>	From August 2023 to January 2024 <i>(HK\$' million)</i>	From February 2024 to July 2024 <i>(HK\$' million)</i>
Hengqin office				
Purchase of office equipment, hardware and software for Hengqin office	3.4	—	—	—
Purchase of hardware and software for the solutions laboratory	1.2	—	—	—
Staff remuneration	0.7	1.5	5.6	9.7
Total capital requirement . .	5.3	1.5	5.6	9.7
Nansha office				
Purchase of office equipment, hardware and software	1.0	—	—	—
Staff remuneration	0.4	0.8	3.8	6.8
Total capital requirement . .	1.4	0.8	3.8	6.8
Integrated operational centre in Hengqin				
Purchase of office equipment, hardware and software	3.6	—	—	—
Staff remuneration	0.3	0.7	2.4	4.0
Total capital requirement . .	3.9	0.7	2.4	4.0

Note: The expected periods of allocation of the Net Proceeds are determined based on the assumption that the Listing will take place in July 2022.

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The following tables set out a breakdown of staff that we plan to recruit in each of Hengqin and Nansha offices by functions, the estimated expenses and the planned allocations of the Net Proceeds:

Hengqin office

Staff to be recruited after Listing by functions	Primary role of the staff	Number of staff planned to be recruited during the period				Expected annual salary per person (HK\$) (Note 3)	Total
		From August 2022 to January 2023		From February 2023 to July 2024			
		From January 2023	From February 2023 to July 2023	From August 2023 to January 2024	From February 2024 to July 2024		
Professional service engineer	Designing and operating IT hardware and software	1	1	12	—	360,000	14 (Note 1)
Engineer supervisor	Designing, implementing and managing network system	—	—	2	—	504,000	2 (Note 1)
Technical manager	Overseeing technical proposals including solutions design and implementation methodology	—	1	—	—	648,000	1
Project manager	Supervising and leading engineers to deliver project implementation	—	—	1	—	504,000	1
Solution consultant	Exploring new products and solutions and formulating and executing sales strategy in collaboration with the sales department	—	—	1	—	360,000	1 (Note 1)
Account manager	Developing and maintaining customer profile and relationship	—	1	2	—	600,000	3
Sales administration officer	Assisting in drafting and issuing quotations and receipts	1	—	1	—	172,800	2
Accountant	Handling financial related matter and preparing for financial reports	—	—	—	—	201,600	— (Note 1)
Human resources officer	Handling employees' general enquiries and providing general office support	—	—	1	—	172,800	1
Total		2 (Note 1)	3	20	N/A (Note 2)		25 (Note 1)
Estimated expenses for the period for recruiting and retaining the staff (HK\$ million)		1.1	2.1	7.4	12.7		23.3
Amount of the Net Proceeds to be allocated for the period for recruiting and retaining the staff (HK\$ million)		0.7	1.5	5.6	9.7		17.5

Notes:

- As at the Latest Practicable Date, we had 61 staff members in our Hengqin office, five of which were recruited as part of the new sales and operational team, including two professional service engineers, one engineer supervisor, one solution consultant and one accountant. The salaries of these five employees are currently financed by our internal financial resources and are expected to be funded by the net proceeds of the Global Offering. Together with the staff in the table above which will be hired after Listing, the new sales and operational team in Hengqin is expected to comprise 30 staff.
- From February 2024 to July 2024, we assume no additional employee is to be recruited for Hengqin or Nansha office.
- According to Frost & Sullivan, the expected annual salary of staff to be recruited by function is in line with the average annual salary of people performing similar corresponding function in the IT solutions industry in Guangdong Province.

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Nansha office

Staff to be recruited after Listing by functions	Primary role of the staff	Number of staff planned to be recruited during the period				Expected annual salary per person (HK\$) (Note 3)	Total
		From August 2022 to January 2023	From February 2023 to July 2023	From August 2023 to January 2024	From February 2024 to July 2024		
Professional service engineer	Designing and operating IT hardware and software	—	—	2	—	360,000	2
Engineer supervisor	Designing, implementing and managing network system	—	—	1	—	504,000	1
Developer	Designing and creating program	2	—	13	—	288,000	15
Application architect	Leading technical delivery of application development	1	—	1	—	360,000	2
Project manager	Supervising and leading engineers to deliver project implementation	—	—	1	—	504,000	1
Solution consultant	Exploring new products and solutions and formulating and executing sales strategy in collaboration with the sales department	—	—	—	—	360,000	— (Note 1)
Account manager	Developing and maintaining customer profile and relationship	—	—	—	—	600,000	— (Note 1)
Administration officer	Handling overall administrative duties	—	—	—	—	172,800	— (Note 1)
Total		3 (Note 1)	—	18	N/A (Note 2)		21 (Note 1)
Estimated expenses for the period for recruiting and retaining the staff (HK\$' million)		0.8	1.4	5.0	8.6		15.8
Amount of the Net Proceeds to be allocated for the period for recruiting and retaining the staff (HK\$' million)		0.4	0.8	3.8	6.8		11.8

Notes:

- As at the Latest Practicable Date, we had eight staff members in our Nansha office, four of which were recruited as part of the new sales and operational team, including two account managers, one solution consultant and one administration officer. The salaries of these four employees are currently financed by our internal financial resources and are expected to be funded by the net proceeds of the Global Offering. Together with the staff in the table above which will be hired after Listing, the new sales and operational team in Nansha is expected to comprise 25 staff.
- From February 2024 to July 2024, we assume no additional employee is to be recruited for Hengqin or Nansha office.
- According to Frost & Sullivan, the expected annual salary of staff to be recruited by function is in line with the average annual salary of people performing similar corresponding function in the IT solutions industry in Guangdong Province.

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To cope with our overall need for organic business expansion and implement our business strategies effectively, we consider that it is reasonable to recruit such number of staff in each of our Hengqin and Nansha offices as described above on the grounds below:

- (a) following the implementation of our expansion plan in the Greater Bay Area, as we gradually expand our business network and have more exposure to the IT solutions projects awarded by local enterprises or public bodies, it is imperative for us to maintain a scalable team to undertake several projects concurrently.

In this connection, the sales and operational teams we plan to establish with the Net Proceeds and our internal financial resources (as appropriate) are expected to be constituted by: (i) three project teams in each of our Hengqin and Nansha offices, and each project team will consist of around seven staff to undertake various key execution roles such as technical managers, engineers, application architects solutions consultants and developers who will be working together to oversee and advise on the entire project, including project quality and safety, labour management and supervision and supply and equipment management, as well as the technical aspects of a project and specific requirements of customers. The size of the project team(s) to be established is determined by reference to the size and composition of our teams in Macau, the usual project requirements for undertaking IT solutions projects in the PRC and our strategy to incrementally expand the scale of our operation as we have progressively developed our business presence in the Greater Bay Area; (ii) a pre-sales and sales team consisting of one to five in Hengqin and one to two staff in Nansha who will be responsible for identifying new business opportunities, establishing and maintaining relationships with our customers; and (iii) a team consisting of one up to four staff to handle back office support functions, financing reporting and other administrative work in each of our Hengqin and Nansha offices. We believe that having the scale of operation as described above and the planned allocation of manpower is pivotal to sustain our operational need and business growth and to capture the market demand in the Greater Bay Area in future; and

- (b) in tendering or bidding for IT solutions projects in the PRC, as advised by Frost & Sullivan and based on our experience, the availability of staff resources has been generally one of the key tendering conditions or otherwise assessment criteria entertained by the potential customers. According to Frost & Sullivan, the IT solutions providers in the Greater Bay Area generally have an average of 20 to 50 staff whereas less than 10 of them have more than 50 staff and the average number of staff required for undertaking IT solutions projects with contract value of over HK\$10.0 million is five to 15 people. Moreover, based on our observations, customers usually require or expect IT solutions providers to have a project team of sufficient staff to be stationed onsite to carry out the execution work on a full-time basis. Therefore, considering the number of staff who is expected to be working in full capacity in a single IT solution project, it is necessary for us to recruit adequate staff so that we would have the flexibility to deploy and dedicate sufficient manpower resources to time-sensitive projects and split our staff in teams to take up projects concurrently, thereby maximising our revenue stream.

Given the above, we believe that having a project team of reasonable scale will allow us to ensure timely and receptive response to our customers' feedback or instruction during project implementation, provide seamless and comprehensive after sales-services after project completion, maintaining the highest quality of our IT solutions services, and thereby increasing our chance of winning tenders or contracts in the PRC.

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On the other hand, to ensure smooth operation of the integrated operational centre to be established in Hengqin, we consider it necessary to recruit 14 staff with technical skills or expertise and experience in managed services including (i) nine tier-1 staff for handling 24/7 front line monitoring work on three rotating shifts (with two to three staff assigned to each shift); (ii) two tier-2 analysts for handling more advanced network security monitoring work on two rotating shifts; (iii) an application security expert for developing automation for operational security toolsets; (iv) a compliance auditor for handling integrated solutions auditing; and (v) a cloud security expert for handling cloud computing work and cybersecurity tools. The allocation of manpower to be adopted in the integrated operational centre generally follows the staff composition, structure and the job divisions we implemented for our provision of managed services in Macau.

The salary ranges of the staff to be recruited for our Hengqin and Nansha offices and the integrated operational centre in Hengqin are determined and benchmarked against the market wage rate of similar role with reference to the job responsibilities, the year of experience, complexity of the skill sets required and availability of relevant talent in the geographic regions. The expected annual salary range of the new staff to be recruited by function generally aligns with the current salary structure of our Group with respect to the similar functions performed by our existing staff (where applicable).

- 15.8% or HK\$16.6 million for strengthening our product development capabilities, among which (i) 7.4% or HK\$7.8 million for pursuing strategic partnership with companies or businesses with strong product innovation capabilities which could complement our existing business and in-house product development capability and for expanding the scale of our product development team by recruiting a chief scientific officer who will be assigned to lead our product development team and possesses strong experience in AI related fields, a data engineer and a data analyst who have technical expertise in data modeling, database design and development and segmentation techniques; and (ii) 8.4% or HK\$8.8 million for funding the required minimum injection of capital resources for the research and development laboratory jointly established with the University of Macau (UM) and the research and development projects pursuant to the Framework Cooperation Agreement; and
- 10.0% or HK\$10.5 million for our working capital and general corporate purposes.

If the Offer Price is set at the higher end or lower end of the indicative Offer Price range, the Net Proceeds, assuming that the Over-allotment Option is not exercised, will increase by HK\$10.7 million or decrease by HK\$10.7 million, respectively, and in such event, we intend to increase or decrease, respectively, the Net Proceeds to be used for the above purposes on a pro-rata basis. In the event that the Over-allotment Option is exercised in full, we estimate that we will receive additional Net Proceeds of HK\$21.0 million, after deducting underwriting fees and estimated expenses payable by us, assuming an Offer Price of HK\$1.17 per Offer Share (being the mid-point of the Offer Price range of HK\$1.08 to HK\$1.26 per Offer Share). We intend to apply all additional Net Proceeds for the same purposes as set out above on a pro rata basis.

If any part of our expansion plans does not proceed as planned for reasons such as changes in government policies or market conditions that would render the development of any of our projects not commercially viable, or the occurrence of force majeure events, our Directors will carefully evaluate the situation and may reallocate proceeds to other uses. Should our Directors decide to

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re-allocate the intended use of the Net Proceeds to other business plans to a material extent and/or there is to be any material modification to the use of the Net Proceeds as disclosed above, we will make appropriate announcement(s) in due course.

To the extent that the Net Proceeds are not immediately used for the purposes described above, we will place the same in short-term deposits with licensed banks or authorised financial institutions in Hong Kong. In the event that we would require additional financing apart from the Net Proceeds for our expansion plans, the shortfall will be financed by our internal resources and bank financing as appropriate.

REASONS FOR LISTING

Our Directors believe that the Listing will enable our Group to enjoy various benefits as summarised below which do not only enable our Group to achieve our business objectives, but also facilitate our Group's future development:

(i) Pursuing long term business growth through the implementation of business strategies

Our Directors believe that raising funds by way of the Listing is in line with our business strategies. The Net Proceeds will provide our Group with financial resources to implement our business plans which in turn drive our business growth. As disclosed in "Use of Proceeds" in this section, part of our Net Proceeds will be applied to expand the geographical reach of our enterprise IT solutions business and establish an integrated operational centre for the provision of managed services in the Greater Bay Area. Our Directors believe that tapping into the market of the Greater Bay Area will be vital to our continuous business growth in future in light of the anticipated growth of the IT solution industry and business opportunities in the Greater Bay Area. According to Frost & Sullivan, revenue of information industry in the Greater Bay Area recorded a strong increase from RMB546.5 billion in 2016 to RMB1,257.6 billion in 2021, at a CAGR of 18.1%. Our Directors believe that, given our strong track record as leading IT solutions provider in Macau, we will benefit from capturing such market growth and more business opportunities through extending the geographical reach of our enterprise IT solutions business. In addition, we plan to apply the Net Proceeds to fund our plan to strengthen our product technical development capabilities in order to enrich our solution offering and increase our competitiveness thereby driving our growth in long-term.

(ii) Enhance our corporate profile and market reputation

We believe that a public listing status in Hong Kong would assist us in reinforcing our image, enhancing confidence in stakeholders in the IT solutions industry and raising our recognition among our existing and potential customers and suppliers in our target geographical market, particularly in the Greater Bay Area. This is in line with our long term target to expand into the regional markets of the Greater Bay Area. Our experience and track record to deal with renowned customers and suppliers as well as governmental bodies in Macau puts our Group in good stead to cross over to meeting the enterprise IT solutions requirements in the Greater Bay Area after our Listing by leveraging on our standing as a listed company on the premier regional financial centre in Asia that is the Stock Exchange. We also believe that financial institutions will be more willing to establish business relationship with listed companies. We will benefit from the perception of outsiders in respect of good corporate governance and internal control, generate reassurance among our existing business partners, customers and suppliers, and strengthen our overall competitiveness in the market. Listing can increase the corporate transparency of our Group to gain recognition

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from stakeholders. As some of our competitors have already been publicly listed, our Directors believe that we will become a more competitive player in the IT solutions market in Macau as well as other regions if we were able to gain a listing status.

Further, our financial standing is one of the major considerations for our customers in awarding projects to us. To commence a new project, we are generally required to incur upfront costs in the early stage before such costs can be recovered from our customers as works progress. Therefore, our Directors believe that, in order to avoid any consequences of delayed project executions, our customers will generally assess whether we have sufficient financial resources to undertake a project on top of the other projects on hand. Therefore, IT solutions providers with stronger financial standing and cash flow liquidity are able to secure for more and larger scale projects, and large-scale IT solutions projects help IT solutions providers to enhance their job experience and build up their reputation in the industry. Given our stable and long-term business relationship with our major customers, our Directors consider that we will be able to achieve further growth by capturing future opportunities and secure more large-scale IT solutions projects by having a listing status and with an improvement in cash flow liquidity position.

In addition, given that most of our major suppliers are internationally well-known system vendors which generally placed heavier emphasis on the operational and financial transparency as well as regulatory compliance and corporate governance of their business partners, our Directors believe that a listing status on the main board of the Stock Exchange will further complement and strengthen our existing strategic and cooperative relationships with these suppliers, and enable our Group to obtain more resources and support from these suppliers for distributing and selling their IT products and services. Our Directors are of the view that our Group may be able to negotiate more favourable terms from our suppliers, such as longer credit terms and higher partnership status, after the Listing due to the enhanced confidence in and transparency on our Group's financial and operational information as a company listed on the Stock Exchange. Our Directors consider that the improvement in our bargaining power for more favourable terms from our stakeholders would help us maintain a healthier financial position by reducing the gap of liquidity mismatch and releasing our gearing and liquidity pressures.

In the event that financing activities is necessary, our Directors believe that we will benefit from having a listing status to negotiate for better financing terms, such as, lower interest rate, higher credit limit and less restrict covenants, which would eventually reduce our liquidity pressure. Further, it would generate reassurance amongst our stakeholders including customers and suppliers, particularly those of larger size.

We consider our corporate profile and recognition to be important factors for securing new projects. As such, our Directors consider that a public listing status will enhance our corporate profile and recognition and assist us in reinforcing our brand awareness and image, which will assist in further strengthening our market position, enhancing our reputation and expanding our market share.

(iii) Enhance our recruitment and retention of talents

We rely on qualified and experienced pre-sales and sale teams and engineering and technical support team in designing, implementing, monitoring, operating and maintaining our customers' IT or system infrastructure, which are integral part of our enterprise IT solutions. We also rely on experienced sales team in sourcing customers and engineering and technical support team in rendering high quality after-sales services. Our Directors believe that being listed on the Stock Exchange will facilitate us in attracting talents in the IT solutions industry to join our Group

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which will improve our service quality and facilitate our recruitment of additional manpower under our expansion plans. The status of being a listed company will also facilitate our in-house talent management, through staff retention and development, whereby our existing staff may be motivated to further develop their career with us in view of the perceived status associated with working for a listed company. With our listing status, we will be able to offer equity award to our employees, which will enhance their sense of ownership to our Group and help to retain our key employees.

In addition, a listing status will provide us with the option to launch the incentive scheme to award our experienced management team in the future. Our executive Directors believe that an equity award of shares on a reputable and liquid equity market such as the Stock Exchange will enable the Company to effectively attract and retain talents. This is especially critical when we strengthen our workforce as part of our strategy to broaden our customer base in the Greater Bay Area.

(iv) Enable us to raise funds more easily for future business development and provide liquidity in the trading of Shares

Our Directors are of the view that a listing status can assist us in any future debt financing, if necessary. Despite the fact that our Group was able to expand our business by internally generated funds and bank borrowings during the Track Record Period, our Directors believe that equity or equity-linked financing is a better alternative in the long run due to the following reasons:

- (a) debt financing from banks or financial institutions normally requires collaterals, such as cash deposit, properties and/or personal guarantee from our Group and/or our Controlling Shareholders. The continuous reliance on our Controlling Shareholders for provision of personal guarantee and other form of financial assistance would be a hindrance to us in achieving financial independence. Moreover, the amount of financial support from our Controlling Shareholder is not unlimited and may eventually hold back our pace of growth.

Taking into account the upfront capital required at the early stage of our enterprise IT solutions projects and the necessity to achieve an optimal capital structure and maintain a disciplined financial strategy without exposing our Group to excessively high gearing, our Directors consider that the net proceeds from the Global Offering are necessary for the successful implementation of our business plans as opposed to pure debt financing. On the contrary, our Directors believe that our Listing and enlarged capital base will put us in a better position to negotiate with banks and financial institutions, which in turn will enable our Group to obtain debt financing on more favourable terms than before; and

- (b) heavy reliance on debt financing would subject our Group to the inherent risks of higher interest rate and finance costs and expose ourselves to negative liquidity events. Primary and potential secondary equity fundraising, including hybrid debt-cum-equity fund raising, after the listing on the Stock Exchange will enable our Group to maintain a lower level of gearing ratio and enhance our capital structure. Our Directors therefore believe that the equity financing would mitigate the risk of high interest rate associated with debt financing, which exposes our Group to increasing financing costs in the future.

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In addition to the above, the Listing will provide our Company with a broader shareholder base and a market for the trading of the Shares. The Listing will allow institutional, professional and other investors in Hong Kong to easily invest in our Company. Our Directors are of the view that the Listing will enable our Group to conduct secondary fund raising in the Hong Kong stock market, if necessary, for our further expansion in the future.

Taking into account the above considerations, our Directors believe that the Listing is beneficial to our Company and its Shareholders as a whole.