

## SUMMARY

*This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety before you decide to invest in the Hong Kong Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Hong Kong Offer Shares are set out in “Risk Factors” in this prospectus. You should read that section carefully before you decide to invest in the Hong Kong Offer Shares. Various expressions used in this section are defined or explained in “Definitions” in this prospectus.*

### OVERVIEW

Headquartered in Macau, we are the leading company in the Macau IT solutions market. During our operating history of over 10 years, we have been dedicated to providing reliable, end-to-end and high quality enterprise IT solutions to customers. We are well-known in the design, architecture and building up of total IT solutions for customers in various industry sectors in Macau. In addition, we engage in the distribution and resale of hardware and software. We conduct our distribution business in Hong Kong and our resale business in Macau. Our customer portfolio includes globally renowned enterprises or bodies in TMT, gaming and hospitality and public sectors. According to Frost & Sullivan, the market size of the IT solutions in Macau was valued at MOP1,618.5 million in 2021 and we ranked first in the IT solutions market in Macau in terms of revenue, with a market share of 25.8% in 2021. During the Track Record Period, we were one of the few IT services providers in Macau which had the technical ability and resources to provide comprehensive, end-to-end solutions to customers in Macau.

The following table sets out a breakdown of our revenue by business line and nature for the indicated periods:

	FY2019		FY2020		FY2021	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
<b>Enterprise IT solutions</b>						
— Professional IT services . . . . .	294,068	58.5	248,932	52.4	289,223	54.1
— Managed services and lease income . . . . .	1,826	0.4	29,568	6.2	35,353	6.6
— IT maintenance and consultancy services . . . . .	33,734	6.7	50,113	10.5	70,388	13.2
<b>Sub-total. . . . .</b>	<b>329,628</b>	<b>65.6</b>	<b>328,613</b>	<b>69.1</b>	<b>394,964</b>	<b>73.9</b>
<b>Distribution and resale</b>						
— Distribution . . . . .	113,351	22.5	108,800	22.9	99,860	18.7
— Resale . . . . .	59,763	11.9	37,895	8.0	39,478	7.4
<b>Sub-total. . . . .</b>	<b>173,114</b>	<b>34.4</b>	<b>146,695</b>	<b>30.9</b>	<b>139,338</b>	<b>26.1</b>
<b>Total . . . . .</b>	<b>502,742</b>	<b>100.0</b>	<b>475,308</b>	<b>100.0</b>	<b>534,302</b>	<b>100.0</b>

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The following table sets out a breakdown of our gross profit and gross profit margin by business line and nature for the Track Record Period:

	FY2019		FY2020		FY2021	
	Gross profit/(loss)	Gross profit/(loss) margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	HK\$'000	%	HK\$'000	%	HK\$'000	%
<b>Enterprise IT solutions</b>						
— Professional IT services . . . . .	48,222	16.4	51,775	20.8	61,951	21.4
— Managed services and lease income . . . . .	(3,084)	(168.9)	5,863	19.8	9,660	27.3
— IT maintenance and consultancy service . . . . .	9,373	27.8	15,523	31.0	18,088	25.7
<b>Sub-total . . . . .</b>	<b>54,511</b>	<b>16.5</b>	<b>73,161</b>	<b>22.3</b>	<b>89,699</b>	<b>22.7</b>
<b>Distribution and resale</b>						
— Distribution . . . . .	22,102	19.5	15,900	14.6	15,782	15.8
— Resale . . . . .	9,044	15.1	4,452	11.7	6,629	16.8
<b>Sub-total . . . . .</b>	<b>31,146</b>	<b>18.0</b>	<b>20,352</b>	<b>13.9</b>	<b>22,411</b>	<b>16.1</b>
<b>Total . . . . .</b>	<b>85,657</b>	<b>17.0</b>	<b>93,513</b>	<b>19.7</b>	<b>112,110</b>	<b>21.0</b>

The table below sets out a breakdown of our revenue, gross profit, and gross profit margin from IT maintenance and consultancy services by nature for the Track Record Period:

	FY2019			FY2020			FY2021		
	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin
	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
Extended maintenance services . . . . .	18,209	5,966	32.8	21,569	9,799	45.4	21,714	11,022	50.8
Standalone maintenance services (Note) . . . . .	15,525	3,407	21.9	28,544	5,724	20.1	48,674	7,066	14.5
<b>Total . . . . .</b>	<b>33,734</b>	<b>9,373</b>	<b>27.8</b>	<b>50,113</b>	<b>15,523</b>	<b>31.0</b>	<b>70,388</b>	<b>18,088</b>	<b>25.7</b>

*Note:* Standalone maintenance services also include the consultancy and advisory services provided by our Group during the Track Record Period.

The table below sets out a breakdown of our revenue by the geographical locations (as determined by the country of domicile in which our Group operates) for the Track Record Period:

	FY2019		FY2020		FY2021	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Macau . . . . .	396,021	78.8	349,856	73.6	405,459	75.9
The PRC . . . . .	—	—	51	0.0	241	0.0
Hong Kong . . . . .	106,721	21.2	125,401	26.4	128,602	24.1
<b>Total . . . . .</b>	<b>502,742</b>	<b>100.0</b>	<b>475,308</b>	<b>100.0</b>	<b>534,302</b>	<b>100.0</b>

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The provision of enterprise IT solutions is our major business. Set forth below is a brief overview of the solutions and services offered under this business:

- *Professional IT services:* This refers to a wide array of our integrated, end-to-end, enterprise-grade system integration and IT solutions and services, from designing our customer's overall IT infrastructure, executing, managing and coordinating the project, integrating the new IT infrastructure and system with our customer's existing operating environment to post-sales maintenance and technical support. We typically provide our solutions on a project-by-project basis. The key areas covered by our professional IT services provided by us during the Track Record Period include (i) data networking; (ii) system infrastructure; (iii) virtualisation; and (iv) cybersecurity.
- *Managed services:* This refers to a selected range of IT services under which we, as part of the IT operational team of our customers, are entrusted with and proactively monitoring and managing our customers' systems and infrastructure remotely through our management IT platform with the support of our well-qualified engineers and in-house developed software, and we may lease the required IT equipment and/or software comprising servers, printing facilities and other relevant hardware and system software solutions which are incidental to the provision of the relevant managed services. In 2018, we set up our round-the-clock SOC in Macau, which is certified under the ISO 27001 and ISO 20000 standard and operating for customers of managed security services through which we offer localised cybersecurity services to our customers in Macau 24/7 with uninterrupted operation.
- *IT maintenance and consultancy services:* This refers to extended (in case where the warranty period of our post-sales maintenance and support services has expired) or standalone maintenance services on IT systems or applications that are built and developed by us or by third parties. Extended maintenance services may also be required to be provided by us to customers for the products sold under our distribution business. We also offer IT consultancy and advisory services, including attending on-site survey on our customer's premises with an objective to assist our customers in assessing their IT operational environment and IT related compliance with government requirements.

To expand our business presence and capture business opportunities along the value chain, we engage in the distribution and resale of hardware and software in parallel with our enterprise IT solutions business. Set forth below is a brief overview of our distribution and resale businesses:

- *Distribution:* We, as a distributor, partner with system vendors or their authorised distributor(s) in the sale and distribution of a selected range of hardware and the associated system relating to corporate mobility and cybersecurity solutions in Hong Kong. During the Track Record Period and as at the Latest Practicable Date, we were the authorised distributor of nine, 11, 11 and 11 system vendors in Hong Kong and carried 10, 12, 12 and 12 brands, respectively, in Hong Kong. We, through Synergy CCL, our wholly-owned subsidiary and distribution arm, were the sole authorised distributor of Supplier J and Supplier K, two distinguished system vendors in Hong Kong. The major brands we carried during the Track Record Period include Aruba, Trend Micro and Checkpoint, which are internationally reputable brands of corporate mobility solutions. We provide value-added distribution services including technical advice, presentations, trainings and demonstrations on the features and uses of the products as well as introduction of new products, whilst looking after the logistics, procurement and after-sales requirements of our customers.

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- *Resale:* We, as a reseller, purchase hardware and software from upstream suppliers for onward sale to our customers in Macau. Products sold under this business include laptops, licence for window operation system and third party software, which are ordered by customers for their own business needs.

Given the difference in nature of our distribution and resale businesses and in view of their respective operational workflow, we are subject to different levels of business risks in terms of (i) the flexibility in taking product orders; (ii) the flexibility of source of supply; (iii) flexibility on product pricing; and (iv) the availability and level of after-sales services. See “Business — Distribution and resale businesses — Business risks of our distribution and resale businesses” in this prospectus for further details.

### COMPETITIVE STRENGTHS

Our principal competitive strengths are:

- We are the leading IT solutions provider in Macau
- We deliver reliable, end-to-end and high quality enterprise IT solutions to our customers
- We have proven ability to develop customised solutions and implement latest innovative technologies as well as cloud-based services to meet the evolving market demand
- We have solid partnership with globally renowned system vendors
- The IT solutions market is experiencing continuous growth, and we are well-positioned to capture growth opportunities and tap into the regional market of the Greater Bay Area
- We have an experienced and visionary management team leading a technical team with a high caliber and a proven track record

### BUSINESS STRATEGIES

Our aims are to maintain our leading position in the IT solutions industry, drive our growth and extend our geographical presence. To achieve these objectives, we have formulated the following major business strategies:

- Expanding the portfolio of our enterprise IT solutions projects and strengthening our capacity for undertaking enterprise IT solutions projects of larger contract value
- Capturing business opportunities in the Greater Bay Area by (i) expanding the geographical reach of our enterprise IT solutions business; and (ii) establishing an integrated operational centre for the provision of managed services
- Continuing to strengthen our product and technical development capabilities in order to enrich our solution offering and increase our competitiveness
- Strengthening our sales and marketing initiatives to elevate our corporate profile

### OUR CUSTOMERS

During the Track Record Period, we had over 330, 340 and 370 customers, respectively, and attributed to our reliable, end-to-end and high quality solutions, over 230 customers each year during the same periods were recurring customers (i.e. customers which engaged us to provide the solutions and services or purchased from us for more than one financial year during the Track Record Period) during the same periods. By customer nature, under our enterprise IT solutions business, our customers are mainly end-users located in Macau. We also provide services and solutions to intermediaries such as solution companies which outsource the relevant work to us. Under our distribution business, by customer nature, our customers are mainly intermediaries such as downstream solution providers or resellers located in Hong Kong. Under our resale business,

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our customers are mainly end-users located in Macau, and most of them are existing or previous customers of our enterprise IT solutions business. Our customer portfolio include renowned TMT companies, leading gaming and hotel brands, governmental bodies, education institutions, banks and financial institutions and other commercial customers. Our major customers during the Track Record Period include Galaxy Entertainment Group Limited, Sociedade De Jogos De Macau, S.A. and Melco Resorts & Entertainment Limited, and they, in aggregate, contributed 28.1% and 37.2% of our total revenue in FY2020 and FY2021, respectively. Our strong track record is further evidenced by our established and collaborative relationships with them which spanned from two to over 10 years. The table below sets out a breakdown of our revenue by industry sector of our customers for the Track Record Period:

	FY2019		FY2020		FY2021	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Banks and Financial Institution . . . . .	26,852	5.3	45,693	9.6	35,931	6.7
Gaming and Hospitality . . . . .	183,507	36.5	159,413	33.5	222,037	41.6
Education . . . . .	17,255	3.4	12,481	2.6	12,172	2.3
Government . . . . .	36,111	7.2	49,761	10.5	67,441	12.6
TMT (Note 1) . . . . .	219,148	43.6	187,539	39.5	175,753	32.9
Others (Note 2) . . . . .	19,869	4.0	20,421	4.3	20,968	3.9
Total . . . . .	<u>502,742</u>	<u>100.0</u>	<u>475,308</u>	<u>100.0</u>	<u>534,302</u>	<u>100.0</u>

*Notes:*

1. “TMT” refers to (i) solution companies which outsource the relevant work to us under our enterprise IT solutions business; (ii) the solution providers and resellers under our distribution business; and (iii) telecommunication companies which are end-users of our services or products.
2. “Others” mainly comprise companies in utility, transportation, retail, aviation, construction and other industries.

The table below sets out a breakdown of our revenue, gross profit and gross profit margin from enterprise IT solutions by customer nature for the Track Record Period:

	FY2019			FY2020			FY2021		
	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin
	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
End-users . . . . .	239,883	39,064	16.3	276,703	57,417	20.8	336,746	75,935	22.5
Intermediaries . . . . .	89,745	15,447	17.2	51,910	15,744	30.3	58,218	13,764	23.6
Total . . . . .	<u>329,628</u>	<u>54,511</u>	<u>16.5</u>	<u>328,613</u>	<u>73,161</u>	<u>22.3</u>	<u>394,964</u>	<u>89,699</u>	<u>22.7</u>

The table below sets out a breakdown of our revenue, gross profit and gross profit margin from professional IT services by customer nature for the Track Record Period:

	FY2019			FY2020			FY2021		
	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin
	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
End-users . . . . .	227,269	38,293	16.8	225,756	45,431	20.1	262,081	56,803	21.7
Intermediaries . . . . .	66,799	9,929	14.9	23,176	6,344	27.4	27,142	5,148	19.0
Total . . . . .	<u>294,068</u>	<u>48,222</u>	<u>16.4</u>	<u>248,932</u>	<u>51,775</u>	<u>20.8</u>	<u>289,223</u>	<u>61,951</u>	<u>21.4</u>

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The table below sets out a breakdown of our revenue for each of the enterprise IT solutions business and distribution and resale businesses by public and private sector for the Track Record Period:

	FY2019				FY2020				FY2021			
	Enterprise IT solutions		Distribution and resale		Enterprise IT solutions		Distribution and resale		Enterprise IT solutions		Distribution and resale	
	<i>HKS'000</i>	%	<i>HKS'000</i>	%	<i>HKS'000</i>	%	<i>HKS'000</i>	%	<i>HKS'000</i>	%	<i>HKS'000</i>	%
Public . . . . .	28,030	5.6	8,081	1.6	37,980	8.1	11,781	2.5	60,574	11.3	6,858	1.3
Private . . . . .	301,598	60.0	165,033	32.8	290,633	61.1	134,914	28.4	334,390	62.6	132,480	24.8
Total . . . . .	<u>329,628</u>	<u>65.6</u>	<u>173,114</u>	<u>34.4</u>	<u>328,613</u>	<u>69.1</u>	<u>146,695</u>	<u>30.9</u>	<u>394,964</u>	<u>73.9</u>	<u>139,338</u>	<u>26.1</u>

The table below sets out a breakdown of gross profit and gross profit margin for each of the enterprise IT solutions business and the distribution and resale businesses by public and private sector for the Track Record Period:

	FY2019				FY2020				FY2021			
	Enterprise IT solutions		Distribution and resale		Enterprise IT solutions		Distribution and resale		Enterprise IT solutions		Distribution and resale	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	<i>HKS'000</i>	%	<i>HKS'000</i>	%	<i>HKS'000</i>	%	<i>HKS'000</i>	%	<i>HKS'000</i>	%	<i>HKS'000</i>	%
Public . . . . .	1,572	5.6	940	11.6	8,374	22.0	1,376	11.7	17,005	28.1	816	11.9
Private . . . . .	52,939	17.6	30,206	18.3	64,787	22.3	18,976	14.1	72,694	21.7	21,594	16.3
Total . . . . .	<u>54,511</u>	<u>16.5</u>	<u>31,146</u>	<u>18.0</u>	<u>73,161</u>	<u>22.3</u>	<u>20,352</u>	<u>13.9</u>	<u>89,699</u>	<u>22.7</u>	<u>22,410</u>	<u>16.1</u>

The table below sets out the number of customers for each of the enterprise IT solutions business and the distribution and resale businesses during the Track Record Period:

	FY2019	FY2020	FY2021
	<i>No. of customers</i>	<i>No. of customers</i>	<i>No. of customers</i>
Enterprise IT solutions ( <i>Note 1</i> ) . . . . .	219	256	280
Distribution and resale ( <i>Note 2</i> ) . . . . .	115	93	98
Total . . . . .	<u>334</u>	<u>349</u>	<u>378</u>

*Notes:*

- 145, 164 and 169 customers of the enterprise IT solutions business were also our customers of the distribution and resale businesses in FY2019, FY2020 and FY2021, respectively.
- Excluding the number of overlapping customers of the enterprise IT solutions business as in Note 1 above.

During the Track Record Period, customers of our enterprise IT solutions business (namely, customers of our professional IT services, managed services and IT maintenance and consultancy services businesses) may also place separate orders on a standalone basis for hardware and software products which are requested by them to fulfil their own business needs. As such, some of our customers of the resale business were also customers of our enterprise IT solutions business. As extended maintenance services may also be provided by our distribution arm in Hong

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Kong for products sold under our distribution business, some of our customers of the distribution business were also customers of our IT maintenance and consultancy services business. For further details, see “Business — Our Major Customers” in this prospectus.

We secure contracts of enterprise IT solutions either by way of participation into a tender or submitting a quotation to our customers. Our overall tender success rates for enterprise IT solutions contracts with awarded contract value of HK\$1 million or above were 54.2%, 37.1% and 37.2% for FY2019, FY2020 and FY2021, respectively.

We determine the price of our professional IT services, which are mainly project-based, by reference to an estimated cost of completing the project plus our targeted profit margin. We generally adopt a cost-plus pricing approach and we take into account various factors, including (i) the scope and nature of work required to be done or provided; (ii) the complexity and technical requirements of the project; (iii) the cost of hardware and/or software; (iv) staff costs; and (v) duration and scale of the project, in determining the project price. For managed services, the subscription fee we charge comprises lump-sum and/or periodic service fee and/or leasing fee, which are generally determined with reference to the nature of services and the procurement cost of any hardware, equipment or software (if any) required to be leased to our customers during the service period. For IT maintenance and consultancy services, we charge a lump-sum or periodic service fee which is generally determined with reference to the nature, level and scope of services, service duration and staff costs. Under our distribution and resale businesses, we charge our price on a cost-plus basis, which is generally based on the quotation we obtained from our suppliers and our targeted profit margin. Further, under our distribution business, as an authorised distributor of our suppliers, we are required to observe certain restrictions or covenants such as suggested selling price, sales targets or quotas, specified product discounts and/or other standards set by them. For details, see “Business — Pricing Strategy — Distribution and resale businesses” in this prospectus.

Our five largest customers in each year during the Track Record Period collectively accounted for 54.9%, 42.3% and 47.4%, respectively, of our total revenue for FY2019, FY2020 and FY2021. Our largest customer in each year during the Track Record Period accounted for 14.8%, 13.0% and 22.1%, respectively, of our total revenue for the same periods. All of our five largest customers during the Track Record Period were and are Independent Third Parties.

### OUR PROJECTS

#### Contract movements and backlog

The following table sets out the movement of the number of our contracts of enterprise IT solutions (including contracts for the provision of professional IT services, managed services and maintenance services) during the Track Record Period:

	FY2019	FY2020	FY2021
Number of contracts as at 1 January of the relevant year ( <i>Note 1</i> ) . . . . .	761	867	1,056
Number of new contracts awarded during the year . . . . .	823	1,622	1,179
Number of contracts completed during the year ( <i>Note 2</i> ) . . . . .	(717)	(1,433)	(1,140)
<b>Number of contracts as at 31 December of the relevant year (<i>Note 3</i>) . . . . .</b>	<b>867</b>	<b>1,056</b>	<b>1,095</b>

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*Notes:*

1. The number of contracts where the percentage of completion had not reached 100% as at the beginning of the relevant year.
2. The number of contracts where the percentage of completion had reached 100% during the relevant year.
3. The number of contracts where the percentage of completion had not reached 100% as at the end of the relevant year.
4. Save for the managed services project for Customer E (see “Business — Our Projects — Top 10 projects on hand” in this prospectus), the Cotai Casino Expansion Project awarded by Customer D in FY2020 and the managed services project for Customer N awarded in FY2019 which were constituted by more than one contract, all of our projects of enterprise IT solutions as indicated in the above table were constituted by one contract as awarded by the relevant customer.

The following table sets out the movement of backlog (representing our estimate of the contract value of works remains to be completed as at a certain date) of our contracts of enterprise IT solutions (including contracts for the provision of professional IT services, managed services and maintenance services) during the Track Record Period:

	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>During the period from 1 January 2022 up to the Latest Practicable Date</b>
	<i>HK'000</i>	<i>HK'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Opening value of backlog as at 1 January of the relevant year/period. . . . .	120,669	208,896	260,804	270,477
Contract value of new contracts awarded during the year/period . . . .	417,854	380,521	404,638	105,246
Revenue recognised during the year/period. . . . .	<u>(329,627)</u>	<u>(328,613)</u>	<u>(394,965)</u>	<u>(128,733)</u>
<b>Closing value of backlog as at the last date of the relevant year/period. . . . .</b>	<b><u>208,896</u></b>	<b><u>260,804</u></b>	<b><u>270,477</u></b>	<b><u>246,990</u></b>

### OUR SUPPLIERS

Our suppliers comprise system vendors, authorised distributors and subcontractors. Under our enterprise IT solutions business, our suppliers are mainly the authorised distributors of the system vendors, and we purchase the products from the authorised distributors of the system vendors for project application. Under our distribution business, our suppliers are mainly system vendors, and we usually make direct purchase from them which engage us as their authorised distributor in a designated geographical region(s). Under our resale business, our suppliers are mainly the authorised distributors of the system vendors, and we purchase the hardware and software from the authorised distributors of the system vendors for resale. We also engage subcontractors to undertake services beyond our service scope, such as cabling, hardware installing and Wi-Fi mounting services, and various manual works which are labour intensive in nature and do not require specialised skills or expertise during project implementation. For details, see “Business —



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Subcontracting Arrangement” in this prospectus. We mainly source our supplies from suppliers located in Hong Kong. Our major purchases during the Track Record Period included hardware, IT components, software and software licences.

Under our enterprise IT solutions business, even though a majority of our suppliers were distributors during the Track Record Period, we entered into partnership agreements with the respective system vendors. Under our distribution business, we were the authorised distributor of nine, 11, 11 and 11 system vendors during the Track Record Period and as at the Latest Practicable Date, respectively, and had entered into distribution agreements with them and make direct purchase from them. For a summary of the salient terms of the partnership agreement and distribution agreement entered into between us and the system vendors, see “Business — Our Major Suppliers — Key terms for the agreements with system vendors” in this prospectus.

Our five largest suppliers in each year during the Track Record Period in aggregate accounted for 57.2%, 52.1% and 54.4%, respectively, of our total purchases for FY2019, FY2020 and FY2021. Our largest supplier in each year during the Track Record Period accounted for 20.5%, 21.1% and 14.4% of our total purchases, respectively, for the same periods. All of our five largest suppliers during the Track Record Period were and are Independent Third Parties.

Customers of our professional IT services and resale business settle our payments primarily in MOP whereas customers of our distribution business settle our payments primarily in Hong Kong dollars. Our purchases of supplies are primarily settled in Hong Kong dollars. As the exchange rate for Hong Kong dollars and MOP is pegged, we are not subject to material foreign currency exchange risk.

### SUMMARY OF KEY OPERATIONAL AND FINANCIAL INFORMATION

#### Summary of consolidated statements of profit or loss and other comprehensive income

The following table sets out the selected items of our consolidated statements of profit or loss and other comprehensive income for the Track Record Period which are extracted from the Accountant’s Report set out in Appendix I to this prospectus:

	FY2019	FY2020	FY2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Revenue</b> . . . . .	502,742	475,308	534,302
Cost of sales . . . . .	(417,085)	(381,795)	(422,192)
<b>Gross profit</b> . . . . .	85,657	93,513	112,110
Selling and distribution expenses . . . . .	(15,298)	(16,378)	(18,687)
General and administrative expenses . . . . .	(39,380)	(45,246)	(61,651)
Other income and other net gains . . . . .	191	3,684	1,234
Reversal of/(provision for) impairment losses on financial assets and contract assets . . . . .	(1,485)	(569)	(1,278)
<b>Operating profit</b> . . . . .	29,685	35,004	31,728
Finance income . . . . .	363	262	765
Finance costs . . . . .	(978)	(1,116)	(2,491)
Finance costs, net . . . . .	(615)	(854)	(1,726)
<b>Profit before income tax</b> . . . . .	29,070	34,150	30,002
Income tax expense . . . . .	(3,851)	(4,292)	(5,999)
<b>Profit for the year</b> . . . . .	25,219	29,858	24,003

## SUMMARY

### NON-IFRS MEASURE

To supplement our consolidated financial statements of comprehensive income from the financial statements which are presented in accordance with IFRS, we also use adjusted net profit (defined below) as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We believe that this measure provides useful information to investors in understanding and evaluating our Group’s consolidated results of operations in the same manner as they help our management. However, the use of non-IFRS measure has limitations as an analytical tool, and investors should not consider them in an isolation from, or as a substitute for analysis of, our results of operations or financial conditions as reported under IFRS. In addition, the non-IFRS financial measure may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies.

The following table sets forth the adjusted net profit and its reconciliations for FY2019, FY2020 and FY2021 to the nearest measures prepared in accordance with IFRS:

	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year . . . . .	25,219	29,858	24,003
Add:			
Listing expenses <sup>(1)</sup> . . . . .	—	2,814	17,536
Interest expenses on financial liability for redeemable rights <sup>(2)</sup> . . . . .	—	—	1,502
<b>Adjusted net profit for the year . . . . .</b>	<b><u>25,219</u></b>	<b><u>32,672</u></b>	<b><u>43,041</u></b>
Adjusted net profit margin (non-IFRS measures) <sup>(3)</sup> . . . . .	5.0%	6.9%	8.1%

*Notes:*

- (1) Listing expenses relate to the Global Offering.
- (2) The interest expense on financial liability for redeemable rights relates to the Pre-IPO Investments.
- (3) We define “adjusted net profit” as profit for the year by adding back listing expenses and interest expenses on financial liability for redeemable rights. Adjusted net profit margin (non-IFRS measures) is calculated based on the adjusted net profit divided by the revenue for the respective year.

See “Financial Information — Non-IFRS Measure: Adjusted Net Profit” in this prospectus for further details.

### Review of historical results of operation

Our revenue decreased by HK\$27.4 million or 5.5% to HK\$475.3 million for FY2020 from HK\$502.7 million for FY2019. The decrease was primarily attributable to the decrease in revenue from our (i) professional IT services by HK\$45.1 million, which was due to the adverse impact of COVID-19 outbreak which delayed budget allocations for building or upgrading the IT infrastructure by the operators in the gaming and hospitality sector, according to Frost & Sullivan, with fewer sizable projects commencing in FY2020 as compared to FY2019; (ii) distribution business by HK\$4.6 million, which was primarily attributable to the COVID-19 outbreak and the shortage of raw materials for the wireless LAN network products of a particular brand, according to Frost & Sullivan, which in turn, adversely affecting the demand in general for such product; and (iii) resale business by HK\$21.9 million, which was primarily attributable to the decrease in sales order for various IT products in Macau. Such decrease was partially offset by the increase in revenue derived from our (a) managed services and lease income by HK\$27.7 million, which was

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## SUMMARY

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primarily attributable to the increase in the number of managed security services contracts newly awarded by governmental bodies in Macau and the revenue contribution from our managed printing services provided for Customer F and private cloud as a service project provided for Customer E for FY2020; and (b) IT maintenance and consultancy services business by HK\$16.4 million, which was mainly attributable to the increase in the number of newly awarded contracts for our IT maintenance and consultancy services. The growth in gross profit was mainly due to the combined effect of (i) an increase in revenue generated from the provision of our managed services resulting from an increase in the number of contracts awarded from governmental bodies for our managed security services from four for FY2019 to 14 for FY2020, while our cost for operating our SOC was relatively stable; (ii) an increase in the revenue contribution from the provision of our IT maintenance and consultancy services mainly due to the increase in the revenue for our maintenance services in relation to the IT products under our distribution business; and (iii) an increase in gross profit margin for our IT maintenance and consultancy services from 27.8% for FY2019 to 31.0% for FY2020. Our net profit increased to HK\$29.9 million for FY2020 from HK\$25.2 million for FY2019 primarily due to the decrease in cost of sales by HK\$35.3 million, partially offset by the decrease in our revenue as discussed above, the increase in finance cost (net) by HK\$0.3 million, the increase in income tax expense by HK\$0.4 million, the increase in selling and distribution expenses by HK\$1.1 million and the increase in general and administrative expenses by HK\$5.9 million. For further details, see “Financial Information — Review of Historical Results of Operations — FY2020 compared to FY2019” in this prospectus.

Our total revenue increased by HK\$59.0 million or 12.4% to HK\$534.3 million for FY2021 from HK\$475.3 million for FY2020. The increase was primarily attributable to the increase in revenue generated from our (i) professional IT services by HK\$40.3 million, which was due to the extended work and services rendered for the Cotai Casino Expansion Project with Customer D in Cotai (which involved the data network infrastructure and the system storage) caused by the modification of the IT infrastructure design for such project, in which additional contracts were entered into with Customer D for such project during FY2021; (ii) managed services by HK\$10.2 million primarily attributable to the provision of the private cloud as a service project for Customer E (which involved the provision of response service and the monitoring of private cloud infrastructure; (iii) IT maintenance and consultancy services by HK\$20.3 million, which was contributed by (a) the travel restrictions implemented in response to COVID-19, which in turn stimulated the demand for maintenance services provided by local service providers in Macau from local enterprises in Macau in order to minimise the disruption caused by travel restrictions on the maintenance of their IT system, according to Frost & Sullivan; and (b) webinars and online promotion targeting the small and medium enterprises market in relation to the products of Supplier H and Supplier I during FY2021; and (iv) resale business by HK\$1.6 million, which was due to the increase in the number of orders. Such increase was partially offset by the decrease in revenue from our (a) distribution business by HK\$8.9 million, which was due to the worldwide semiconductor shortage for the wireless local area network (“LAN”) products of Aruba, according to Frost & Sullivan and as communicated with the manufacturer of Aruba, which in turn adversely affected the product lead-time in general for such product; and (b) lease income by HK\$4.4 million primarily attributable to the decrease in IT equipment being leased to Customer E, which involved the provision of the private cloud service for such customer. Our net profit decreased to HK\$24.0 million for FY2021 from HK\$29.9 million for FY2020 primarily due to the increase in our selling and distribution expenses by HK\$2.3 million, the increase in general and administrative expenses by HK\$16.4 million and the increase in income tax expense by HK\$1.7 million, partially offset by the increase in our revenue as discussed above. For further details, see “Financial Information — Review of Historical Results of Operations — FY2021 compared to FY2020” in this prospectus.

## SUMMARY

Our gross loss for our managed services and lease income which amounted to HK\$3.1 million for FY2019 was relating to the provision of cybersecurity services through our SOC in FY2019, in which we secured four contracts in the total contract value of HK\$2.8 million awarded from governmental bodies in Macau, and due to the relatively limited value of the contracts secured by us and limited number of customers at the start up stage of our SOC, our income recognised during the same period from such services was not large enough to cover our costs of labour, depreciation and network security licence costs incurred for the operation of the SOC. Our gross profit for our managed services and lease income amounted to HK\$5.9 million for FY2020 due to (i) the lease income for a service project with Customer E; and (ii) the increase in number of contracts for our managed security services with governmental bodies in Macau from four with total contract value of HK\$2.8 million for FY2019 to 14 with total contract value of HK\$7.4 million for FY2020, while the cost of labour, depreciation and network security licence costs for operating our SOC were relatively stable during FY2020 compared to FY2019. Our gross profit for our managed services and lease income amounted to HK\$9.7 million for FY2021, which was primarily due to (i) the income from the provision of the private cloud as a service project for Customer E (which involved the provision of response service, the monitoring of private cloud infrastructure and the leasing of IT equipment); and (ii) contracts of managed services and lease income in progress mainly with governmental bodies in Macau, Customer E and Customer F, while the cost of labour, depreciation and network security licence costs were relatively stable.

### Summary of consolidated statements of financial position

The table below sets out the principal components of our assets and liabilities as at 31 December 2019, 2020 and 2021:

	As at 31 December		
	2019	2020	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Current assets</b>			
Inventories . . . . .	59,082	39,102	29,994
Deposits and other receivables . . . . .	1,251	4,767	6,999
Prepayments and contract costs . . . . .	27,889	26,544	42,564
Finance lease receivables . . . . .	577	9,100	14,326
Contract assets . . . . .	37,636	48,540	78,656
Trade receivables . . . . .	100,765	95,225	188,803
Income tax recoverable . . . . .	—	—	357
Restricted cash . . . . .	5,917	5,920	2,925
Cash and cash equivalents . . . . .	28,510	29,899	14,485
	<u>261,627</u>	<u>259,097</u>	<u>379,109</u>
<b>Current liabilities</b>			
Trade and other payables . . . . .	112,185	92,735	129,634
Amounts due to shareholders . . . . .	17,533	16,722	—
Contract liabilities . . . . .	21,232	29,386	45,324
Lease liabilities . . . . .	5,209	6,214	6,093
Income tax payable . . . . .	12,658	14,440	7,267
Borrowings . . . . .	6,914	8,317	25,522
	<u>175,731</u>	<u>167,814</u>	<u>213,840</u>
<b>Net current assets</b> . . . . .	<u>85,896</u>	<u>91,283</u>	<u>165,269</u>

## SUMMARY

	As at 31 December		
	2019	2020	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment . . . . .	11,906	12,508	10,858
Right-of-use assets . . . . .	8,610	7,707	9,116
Intangible assets . . . . .	304	917	2,422
Deferred tax assets . . . . .	408	506	839
Finance lease receivables . . . . .	534	13,618	12,652
Contract assets . . . . .	871	3,625	6,318
Deposits . . . . .	5,042	4,390	3,899
Prepayments and contract costs . . . . .	12,766	16,072	10,904
	<u>40,441</u>	<u>59,343</u>	<u>57,008</u>
<b>Non-current liabilities</b>			
Borrowings . . . . .	8,378	7,073	5,933
Lease liabilities . . . . .	4,584	3,964	3,983
Financial liability for redeemable rights . . .	—	—	37,900
Contract liabilities . . . . .	4,092	6,600	5,578
	<u>17,054</u>	<u>17,637</u>	<u>53,394</u>
<b>Net assets</b> . . . . .	<u>109,283</u>	<u>132,989</u>	<u>168,883</u>

Our Group's net current assets increased to HK\$91.3 million as at 31 December 2020 from HK\$85.9 million as at 31 December 2019, which was primarily attributable to the decrease in current liabilities of HK\$7.9 million. Such decrease in current liabilities was primarily due to the decrease in trade and other payables of HK\$19.5 million which was generally in line with the decline of our revenue during FY2020. The effect was partially offset by (i) the increase in contract liabilities of HK\$8.2 million attributable to an increase in our number of contracts in progress; and (ii) the decrease in current assets of HK\$2.5 million. Our net assets increased to HK\$133.0 million as at 31 December 2020 from HK\$109.3 million as at 31 December 2019, which was primarily due to the increase in reserves of HK\$23.7 million. Such increase in reserves was attributable to the increase of total comprehensive income for the year to HK\$30.1 million for FY2020 from HK\$25.2 million for FY2019, the decrease in dividends declared to HK\$2.0 million for FY2020 from HK\$2.9 million for FY2019 partially offset by the increase in deemed distribution to shareholders to HK\$4.4 million for FY2020 from HK\$10,000 for FY2019.

Our Group's net current assets further increased to HK\$165.3 million as at 31 December 2021, which was primarily attributable to the increase in current assets of HK\$120.0 million. Such increase was primarily due to (i) the increase in prepayments and contract costs of HK\$16.0 million attributable to the increase in the prepayment to suppliers in relation to our inventories; and (ii) the increase in contract assets of HK\$30.1 million attributable to the provision of the professional IT service with Customer E involving the data networking, in which our Group had performed obligation but was yet to issue invoice to such customer; and (iii) the increase in trade receivables of HK\$93.6 million due to the unsettled invoices which involved the Cotai Casino Expansion Project with Customer D in Cotai relating to the data network infrastructure and the system storage, partially offset by the decrease in inventories of HK\$9.1 million attributable to the delivery of our inventories for the Cotai Casino Expansion Project with Customer D and the increase in current liabilities of HK\$46.0 million. Such increase in current liabilities was primarily due to (i) the increase of trade and other payables of HK\$36.9 million due to the procurement of inventories from Supplier E in relation to hardware and software products; (ii) the increase in contract liabilities of HK\$15.9 million due to the provision of our IT maintenance and consultancy

## SUMMARY

services with Customer D and Customer N; and (iii) the increase of borrowings of HK\$17.2 million, partially offset by the decrease in amounts due to shareholders of HK\$16.7 million. Our net assets increased to HK\$168.9 million as at 31 December 2021 from HK\$133.0 million as at 31 December 2020, which was primarily due to the increase in share premium to HK\$48.1 million for FY2021 from nil for FY2020 pursuant to the Pre-IPO Investments, partially offset by the decrease in total comprehensive income for the year to HK\$24.2 million for FY2021 from HK\$30.1 million for FY2020 and the increase in recognition of redemption of liability with one of the Pre-IPO Investors, namely DHQ, to HK\$36.4 million for FY2021 from nil for FY2020.

### Summary of consolidated statements of cash flows

The table below sets out the selected items of our key consolidated cash flows for the Track Record Period:

	FY2019	FY2020	FY2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Operating cash flows before movements in			
working capital . . . . .	40,489	45,957	45,694
Changes in working capital . . . . .	(6,959)	(23,108)	(82,297)
Income tax paid . . . . .	(463)	(2,742)	(13,863)
Income tax refunded . . . . .	—	134	—
Interest received . . . . .	—	—	736
Net cash generated from/(used in) operating			
activities . . . . .	33,067	20,241	(49,730)
Net cash used in investing activities . . . . .	(2,916)	(5,061)	(5,095)
Net cash (used in)/generated from financing			
activities . . . . .	(18,801)	(14,007)	39,371
Net (decrease)/increase in cash and cash			
equivalents . . . . .	11,350	1,173	(15,454)
Effect on exchange difference . . . . .	(6)	216	40
Cash and cash equivalents at beginning of year .	17,166	28,510	29,899
Cash and cash equivalents at end of year . . . . .	<u>28,510</u>	<u>29,899</u>	<u>14,485</u>

Our cash and cash equivalents remained stable for FY2019 and FY2020. Our cash and cash equivalents decreased to HK\$14.5 million for FY2021 from HK\$29.9 million for FY2020 due to the increase in net cash used in operating activities.

For FY2021, our Group had net cash used in operating activities of HK\$49.7 million. Our net cash outflow was primarily attributable to cash used in operations of HK\$36.6 million and income tax paid of HK\$13.9 million, adjusted by reconciliation of certain non-cash items of HK\$15.7 million and negative changes in working capital, which mainly included (a) an increase in contract assets of HK\$32.8 million due to the provision of the professional IT service to Customer E involving data networking, in which our Group had performed obligation but has yet to issue invoice to such customer; and (b) an increase in trade receivables of HK\$94.8 million due to the unsettled invoices for the Cotai Casino Expansion Project with Customer D relating to data network infrastructure and system storage; partially offset by (i) an increase in contract liabilities of HK\$14.9 million due to the provision of our IT maintenance and consultancy services with Customer D and Customer N; and (ii) an increase in trade and other payables of HK\$36.9 million due to the procurement of inventories from Supplier E in relation to hardware and software products.

## SUMMARY

We will endeavour to monitor our cash outflow and enhance our liquidity position for the year ending 31 December 2022 with the following measures:

- (i) our account managers will align the cash collection cycle of our customers and payment cycle of suppliers to achieve that the expected operating cash inflow will not exceed the expected operating cash outflow;
- (ii) for projects which will require significant procurement of raw materials or projects of a longer project duration, we will carefully review and negotiate the payment terms with our customer with reference to our then cash position and projected capital commitment, and may require prepayments or deposits from customers, make procurement orders only after the customer providing the required payments, and request payment of installments at shorter intervals, to manage our exposure;
- (iii) without compromising the quality of the supplies, we will expand our list of suppliers and negotiate with our suppliers for an extended credit period with reference to the agreed project milestones and payment terms of our customers in order to minimise the occurrence of any cash flow mismatch arising from the time lag between our payment to suppliers and receipt of payment from customers; and
- (iv) we will further enhance our effort in monitoring outstanding trade receivables and managing our exposure arising therefrom. See “Financial Information — Description of Certain Items of Consolidated Statements of Financial Position — Trade receivables” in this prospectus for further details.

In addition, as at 30 April 2022, we had unutilised available credit facilities of HK\$23.8 million. We will continue to carefully assess and ensure that we will have sufficient financial resources (including our cash and cash equivalents, working capital and operating cash flow forecasts) to support our operations. Where necessary, we can further strengthen our cash position by utilising our available credit facilities.

### KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as at each of the dates indicated:

	For each of the year ended 31 December		
	2019	2020	2021
Gross profit margin (%) <sup>(1)</sup> .....	17.0%	19.7%	21.0%
Net profit margin (%) <sup>(2)</sup> .....	5.0%	6.3%	4.5%
Return on equity (%) <sup>(3)</sup> .....	23.1%	22.5%	14.2%
Return on total assets (%) <sup>(3)</sup> .....	9.4%	9.6%	6.4%
	As at 31 December		
	2019	2020	2021
Current ratio (times) <sup>(3)</sup> .....	1.5	1.5	1.8
Gearing ratio (times) <sup>(3)</sup> .....	0.1	0.1	0.2
Net debt to equity ratio (times) <sup>(3)</sup> .....	N/A	N/A	0.1

*Notes:*

- (1) Gross profit margin for FY2019, FY2020 and FY2021 was calculated on gross profit divided by turnover for the respective year. See “Financial Information — Review of Historical Results of Operation” in this prospectus for more details on our gross profit margins.

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## SUMMARY

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- (2) Net profit margin for FY2019, FY2020 and FY2021 was calculated on profit for the year divided by turnover for the respective year. See “Financial Information — Review of Historical Results of Operation” in this prospectus for more details on our net profit margins.
- (3) For the calculation of other key financial ratios, see “Financial Information — Key Financial Ratios” in this prospectus.

### OFFER STATISTICS

We have prepared the following offer statistics on the basis of hypothetical Offer Prices without taking into account the 1% brokerage fee, 0.0027% SFC transaction levy, 0.005% Stock Exchange trading fee and Financial Reporting Council transaction levy of 0.00015%. We have also assumed no exercise of the Over-allotment Option.

	<b>Based on Offer Price per Share of HK\$1.26</b>	<b>Based on Offer Price per Share of HK\$1.08</b>
Market capitalisation of our Shares <sup>(Note 1)</sup> . . . . .	HK\$630 million	HK\$540 million
Unaudited pro forma net tangible asset value per Share <sup>(Note 1 and Note 2)</sup> . . . . .	HK\$0.60	HK\$0.56

*Notes:*

- (1) Based on 500,000,000 Shares expected to be in issue immediately following the completion of the Global Offering (excluding any Shares which may be issued under the Over-allotment Option and any Shares which may be issued pursuant to exercise of the options which may be granted under the Share Option Scheme).
- (2) After adjustment referred to in “Unaudited Pro Forma Financial Information” in Appendix II to this prospectus.

### DIVIDEND

During the Track Record Period, no dividend had been paid or declared by our Company since its date of incorporation. The dividends declared by one of the operating subsidiaries now comprising our Group were MOP3.0 million (equivalent to HK\$2.9 million) and MOP2.1 million (equivalent to HK\$2.0 million) for FY2019 and FY2020, respectively.

We may distribute dividends by way of cash or by other means that we consider appropriate. Our Board has absolute discretion as to whether to declare any dividend for any year end and if any, the amount of dividend and the means of payment. Such discretion is subject to any applicable laws and regulations including the Companies Act, and our Articles which also requires the approval of our Shareholders. In addition, any final dividend for a financial year will be subject to our Shareholders’ approval. The amount of any dividends to be declared and paid in the future will depend on, among other things, our results of operations, cash flows and financial condition, operating and capital requirements and other relevant factors. See “Financial information — Dividend” in this prospectus for further details. Our Board has not adopted any dividend policy for the time being and does not have any pre-determined dividend ratio. The dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by our Board in the future.

### FUTURE PLANS AND USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of HK\$104.8 million (assuming an Offer Price of HK\$1.17 per Share, being the mid-point of the indicative Offer Price range), after deducting the underwriting fees and expenses payable by us in the Global Offering and assuming no exercise of the Over-allotment Option. We currently intend to apply these net proceeds in the following manner:



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## SUMMARY

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- 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;
- 43.8% or HK\$45.9 million for capturing business opportunities in the Greater Bay Area, among which (i) 33.3% or HK\$34.9 million for expanding the geographical reach of our enterprise IT solutions business by the establishment of sales and operational teams in Hengqin and Nansha; and (ii) 10.5% or HK\$11.1 million for establishing an integrated operational centre for the provision of managed services in Hengqin;
- 15.8% or HK\$16.6 million for strengthening our product development capabilities by pursuing strategic partnership with companies or businesses with strong product innovation capabilities, expanding the scale of our product development team and 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 signed with it on 3 February 2021; and
- 10.0% or HK\$10.5 million for our working capital and general corporate purposes.

For details, see “Future Plans and Use of Proceeds” in this prospectus. If the Offer Price is fixed at HK\$1.26 per Offer Share, being the higher end of the indicative Offer Price range, the net proceeds will be increased to HK\$115.6 million. If the Offer Price is fixed at HK\$1.08 per Offer Share, being the lower end of the indicative Offer Price range, the net proceeds will be reduced to HK\$94.1 million. Under such circumstances, we intend to increase or decrease, respectively, the net proceeds from the Global Offering to be used for the above purposes on a pro-rata basis.

### LISTING EXPENSES

Our Listing expenses mainly comprise underwriting commissions and professional fees paid and payable to the Sole Global Coordinator (for itself and on behalf of other underwriters), the Sole Sponsor, legal advisers and the reporting accountant, among others, for their services rendered, in relation to the Listing and the Global Offering. As at 31 December 2021, we had incurred listing expenses of HK\$26.4 million, of which HK\$6.0 million will be accounted for as a deduction in equity and HK\$20.4 million we had recorded as listing expenses. We expect to incur further listing expenses amounting to HK\$15.1 million, of which HK\$8.6 million is expected to be accounted for as a deduction in equity and the remaining HK\$6.5 million is expected to be recorded as expenses for the year ending 31 December 2022. The total amount of listing expenses incurred and expected to be incurred by us would be HK\$41.4 million, which represented 28.3% of the gross proceeds of the Global Offering (assuming an 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). Such listing expenses comprised underwriting-related expenses of HK\$6.6 million and non-underwriting expenses of HK\$34.9 million, which included (i) professional fees paid and payable to the Sole Sponsor, legal advisers and the reporting accountant of HK\$25.7 million, and (ii) fees paid and payable to other working parties and other expenses in relation to the Listing and the Global Offering of HK\$9.1 million. For details, see “Financial Information — Listing Expenses” in this prospectus.

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## SUMMARY

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### HIGHLIGHTS OF RISK FACTORS

Our business faces risks including those set out in “Risk Factors” in this prospectus. We believe that the following are some of the major risks that may have a material adverse effect on us:

- A majority of our contracts are non-recurring in nature, which creates uncertainty as to our future revenue streams. Therefore, our financial performance may fluctuate from period to period.
- Our future operations, working capital and cashflow position may be adversely affected if our customers fail or delay to settle the payment due to us or we fail to bill all or any part of our contract assets.
- Our failure to fulfil our obligations in respect of contract liabilities may materially and adversely affect our liquidity and financial position.
- We have recorded net operating cash outflow for FY2021.
- We may need to recognise impairment loss on our prepayments and contract costs, which could adversely affect our financial position.
- We may not receive full and/or timely payment of our finance lease receivables, which could adversely affect our financial position.
- Some of our major customers are operating in TMT, gaming and hospitality and public sectors and our business activities are concentrated in Macau. Therefore, we are exposed to the deterioration in the financial condition of our major customers as well as any adverse economic or social conditions in the region.
- We may encounter cost overruns or delays in our projects of enterprise IT solutions, which may materially and adversely affect our business and financial position.

### NON-COMPLIANCE

During the Track Record Period, BoardWare Macau committed late filing of the tax returns for FY2019 contrary to the requirement under the Complementary Income Tax Regulation. As advised by our Macau Legal Advisers, BoardWare Macau is subject to a maximum fine of MOP10,000 in respect of each of the aforesaid late tax filings. On 14 April 2021, BoardWare Macau took the initiative to submit the relevant tax returns to the Macau Financial Services Bureau. We had made provision in the amount of MOP3.0 million (equivalent to HK\$2.9 million, respectively) for the estimated complementary tax to be payable for FY2019. As at the Latest Practicable Date, the MFSB had issued the tax demand notices to BoardWare Macau for payment of complementary tax for FY2019 and FY2020; and BoardWare Macau had fully settled such tax payments as prescribed by MFSB.

During FY2019 and FY2020, BoardWare ZH did not fully make social insurance and housing provident fund contributions according to the PRC Social Insurance Law 《中華人民共和國社會保險法》 and the Regulations on the Administration of Housing Provident Fund 《住房公積金管理條例》. We have made provisions of RMB337,664 (equivalent to HK\$405,197) in respect of the unpaid amount of social insurance contributions and housing provident fund as at 31 December 2020 and no further provision was made for FY2021. As at 31 December 2021, we had made payments in the aggregate amount of RMB298,164 (equivalent to HK\$357,796) for settlement of the social insurance and housing provident fund contributions as required by local governmental authorities.

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## SUMMARY

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For details of the above non-compliance incidents, see “Business — Compliance and Legal Proceedings — Legal compliance” in this prospectus.

### RECENT DEVELOPMENTS

#### Impact of COVID-19

According to the F&S Report, the IT solutions industry in Macau and Hong Kong has been negatively affected by the slowdown in economic growth and the temporary suspension of business activities as a result of the COVID-19 outbreak. In particular, the IT solutions market in Macau had been negatively affected by the outbreak and prolonged impact of COVID-19. For further details of the risk relating to COVID-19, see “Risk Factors — Risks relating to Our Business — The outbreak of COVID-19 may adversely affect our business and financial position if the epidemic persists” in this prospectus.

During 2020, being the first year of the COVID-19 outbreak, as with other Macau enterprises, we suspended our office operation in Macau for a period of two weeks as a number of our staff were unable to return to Macau and resume work following the Chinese New Year holiday due to border control by the Macau government. Further, there were mandatory quarantine requirement and travel restrictions in Macau to contain the spread of the virus which have inevitably disrupted business operations, supply chains and workforce availability in Macau generally. Against this background, we experienced a slight decrease in our revenue from HK\$502.7 million for FY2019 to HK\$475.3 million for FY2020. Such decrease was mainly attributable to the decrease in revenue from our resale business, which in turn was caused by the decrease in purchase order for various IT products in Macau due to COVID-19 as our customers may have delayed their budget for IT development and purchase of IT products following the suspension of their construction and/or renewal projects, as discussed below.

In addition, due to the temporary closure of border which to a certain extent affected the supply of construction workers and hence the construction activities and travel demand in Macau, and the prolonged impact of COVID-19 on Macau’s economy and market sentiment, some operators in the gaming and hospitality sector delayed their expansion or development plans or delayed budget allocations for building or upgrading IT infrastructure which had an adverse impact on our business in Macau. In particular, casino operators were requested by the Macau government to suspend their business operations for a period of 15 days from 5 to 19 February 2020. As a result of the foregoing, the delivery of our inventories and the project implementation phase for the enterprise IT solutions projects with Customer D in relation to the Cotai Casino Expansion Project, Customer E in relation to the Surveillance Network Project, and Customer G in relation to the Resort Complex Project, had been delayed in the first half of FY2020. Revenue recognised from these three projects in aggregate amounted to HK\$36.5 million for FY2020, representing 7.7% of our total revenue for FY2020. Our gross profit derived from these three projects amounted to HK\$5.6 million for FY2020 with a gross profit margin of 15.2%. We had from time to time communicated with these customers regarding the delay and updates in project schedules. To the best knowledge and belief of our Directors, there was no material impact on the recognition of revenue attributed to the relevant work under such projects for FY2020 because these three projects resumed to normal in the second half of FY2020 and revenue generated from the relevant work under these three projects was recognised in FY2020. The average lower gross profit margin from such projects for FY2020 compared to our overall gross profit margin of professional IT services of 20.8% for the same year was mainly attributed to the nature of work (such as the delivery of inventories for the Cotai Casino Expansion Project and hardware installation for the Surveillance Network Project) required according to the relevant project requirements under two of such projects at that time, which were pre-agreed when the contract was entered into, and was not materially affected by the outbreak of COVID-19, except for the delayed timing of delivery of

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## SUMMARY

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such work as mentioned in the preceding paragraph in this section. As such, our Directors are of the view that such delays in these three projects did not result in any material impact on our revenue and gross profit margin. For details, see “Financial Information — Review of Historical Results of Operation — FY2020 compared to FY2019” in this prospectus. Save as disclosed above, to the best information and knowledge of our Directors, none of our major customers or suppliers during the Track Record Period had suspended their operations due to COVID-19. Our Directors do not foresee any material adverse impact on the estimated revenue or profit to be recognised from the delayed enterprise IT solutions projects in FY2021. Although the COVID-19 pandemic has been largely controlled in Macau, there was another outbreak of COVID-19 in Macau in August 2021. In August 2021, the Macau government imposed travel restrictions and implemented a citywide testing blitz for all residents. To the best knowledge and belief of our Directors after making reasonable enquiries, the impact of the outbreak of COVID-19 in Macau in August 2021 on our financial position and results of business operations is minimal.

In addition, apart from the delay in the above enterprise IT solutions projects, we believe COVID-19 had an impact on the value of new contracts of enterprise IT solutions obtained by us during FY2020 and FY2021 and the revenue derived from such projects. While the number of new contracts obtained by us increased from 823 in FY2019 to 1,622 in FY2020, the total contract value of such new contracts decreased from HK\$417.9 million in FY2019 to HK\$380.5 million in FY2020. This was primarily attributable to the decrease in the number of large-scale projects from customers in the gaming and hospitality sector handled by our Group in FY2020, as some of these customers had postponed their development plans in light of COVID-19 as discussed above. The revenue recognised from newly awarded contracts of enterprise IT solutions with awarded contract value of over HK\$1 million or above contributed to 35.6% of our total revenue in FY2020, as compared to 43.9% in FY2019. For FY2021, the revenue recognised from newly awarded enterprise IT solutions contracts with awarded contract value of over HK\$1 million or above contributed to 35.2% of our total revenue for such period.

Save as disclosed in the paragraphs above, our business relationship with customers and suppliers were not materially affected by the outbreak of COVID-19. We did not experience any cancellation of purchase orders or contracts from customers nor material interruption or delay in delivery of supply from our suppliers due to COVID-19. We have implemented prevention and control measures at our offices in Macau, Hong Kong and the PRC such as providing face masks and sanitiser to our employees and requiring them to undergo mandatory temperature checks. In case if any of our employees contracted or is suspected to have contracted COVID-19, they are to report the same to our management and be prohibited from returning to our offices. From 1 January 2022 up to the Latest Practicable Date, to the best knowledge, information and belief of our Directors, there were 11 confirmed cases of COVID-19 among the staff at our office in Hong Kong. In light of the recent outbreak of COVID-19 in Hong Kong, we have adopted special work arrangements such that our staff in our Hong Kong office work on rotation and they are required to take COVID-19 test before returning to our office in Hong Kong. As at the Latest Practicable Date, travel restrictions in Macau had been gradually eased and visitation to Macau had also been slowly picking up. According to the F&S Report, since 12 August 2020, the PRC has resumed issuing tourist visas for visitors, including individual residents and group tours, to travel to Macau and Zhuhai. The visitor arrivals in Macau increased from 5.9 million in 2020 to 7.7 million in 2021, according to F&S. It is expected that the recovery of tourism and general increase in market demands would revive the gaming and hospitality sector in Macau; and the nominal GDP of Macau is expected to increase at a CAGR of 16.1% from 2022 to 2026, according to F&S. For further information on the recovery of the Macau IT solutions market after 2020, see “Industry Overview — Market Size of Enterprise IT Solutions in Macau” in this prospectus. Following dozens of locally transmitted cases of COVID-19 discovered on 18 June 2022, Macau saw its latest outbreak of COVID-19 in eight months. The Macau government instituted mass COVID-19 testing among

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## SUMMARY

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the population and border restrictions have been tightened. As at the Latest Practicable Date, to the best knowledge, information and belief of our Directors, there is no confirmed case of COVID-19 among the staff at our office in Macau and we have not experienced any cancellation of purchase orders or contracts from our major customers in Macau nor any material interruption or delay in the delivery of supply from our suppliers as a result of this recent outbreak. Our operation and, to the best knowledge and belief of our Directors, the operation of our major customers in Macau, had not been suspended due to this latest outbreak and as such, we did not experience a material delay in or suspension of our ongoing projects. To the best knowledge and belief of our Directors, having considered that (i) with respect to the Selected Projects, as at the Latest Practicable Date, we had not been notified by Customer D of any proposed change in the project schedule and that the required site work after work commencement was still expected to be carried out during the second half of 2022; (ii) there was no suspension in the operation of our major customers who operate in the gaming and hospitality sector and, according to the F&S Report, the demand for IT infrastructure is directly correlated to the scale of gaming and hospitality facilities; and (iii) we had employees located in the PRC whom we may be able to deploy to assist in following up with our projects and business opportunities in the Greater Bay Area, our Directors are of the view that this latest outbreak of COVID-19 did not have a material impact on our business and operations in Macau and the implementation of our expansion plan. With respect to the potential contracts of which we have submitted quotations or tenders to customers for new projects, the turnaround time for some of them, being mainly governmental bodies, in responding to our quotations or tenders during this intermittent period may be prolonged for them to go through their internal procedure, which may lead to delay to the release of the tender assessment result or formal acceptance of our quotation. Whilst the IT solutions industry in Macau and Hong Kong has been negatively affect by the slowdown in economic growth and the temporary suspension of business activities as a result of the COVID-19 outbreak as discussed above, as vaccines roll out globally with a rising vaccination rate, it is expected that the virus would be effectively contained, which lays the foundation for a resurgence of the Macau and Hong Kong markets. Our Directors believe that we had already navigated the most difficult time of Macau caused by COVID-19, as demonstrated by our revenue attributable to Macau which increased from HK\$349.9 million in FY2020 to HK\$405.5 million in FY2021; and our total revenue and gross profit have improved from HK\$475.3 million in FY2020 to HK\$534.3 million in FY2021, and HK\$93.5 million to HK\$112.1 million, respectively. As at the Latest Practicable Date, we had a closing value of backlog of HK\$247.0 million, demonstrating the sustainability of our business. See “Other recent developments” below for further details. Save as disclosed in the paragraphs above and for reasons discussed above, our Directors are of the view that the outbreak of COVID-19 did not result in any material impact on our Group’s operation and financial performance.

To the best knowledge and belief of our Directors after making reasonable enquiries, the impact of the outbreak of COVID-19 on our financial position and results of business operations has been temporary and minimal and our Directors estimate that our Group will be able to maintain its financial viability for at least the following 12 months, assuming our Group is able to obtain the net proceeds from the Global Offering and carry out its future plans as explained in the “Future Plans and Use of Proceeds” in this prospectus.

### **Other recent developments**

Subsequent to the Track Record Period and up to the Latest Practicable Date, we had secured 353 new contracts of enterprise IT solutions with a total awarded contract value of HK\$105.2 million, and recognised revenue from completed contracts or contracts in progress in the amount of HK\$128.7 million for the same period. As at the Latest Practicable Date, we had a total of 1,040 contracts of enterprise IT solutions and a closing value of backlog of HK\$247.0 million, as compared with the closing value of HK\$270.5 million as at 31 December 2021. For further details,

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see “Business — Our Projects” in this prospectus. Further, subsequent to the Track Record Period, we secured a professional IT services project in Guangdong with a contract value of HK\$9.0 million pursuant to which we would provide hardware installation and technical support services to an intelligent system solution provider in the PRC for its project with the Guangdong Province People’s Hospital. For further details, see “Business — Our Business Strategies” in this prospectus. Coupled with the recovery of tourism and general increase in market demands in Macau as discussed above and our planned expansion in the Greater Bay Area, our Directors consider that we would be able to secure additional enterprise IT solution contracts in the financial year ending 31 December 2022 and capture further business opportunities in Macau. Our Group would continue to pursue suitable tenders for enterprise IT solution projects both in Macau and in the Greater Bay Area. Accordingly, our Directors believe that the contracts on hand are sufficient to provide a solid foundation for our business and support our organic growth and that our business is sustainable and will continue to develop in the long-run.

Overall, there was no material change in our business, revenue model and cost structure subsequent to the Track Record period and up to the Latest Practicable Date. Save for the Listing expenses, our Group did not have any significant non-recurring items in its consolidated statement of profit or loss and other comprehensive income subsequent to the Track Record Period.

To the best knowledge, information and belief of our Directors, save for the impact of COVID-19 as disclosed in the paragraphs above, up to the Latest Practicable Date, there is no material change to the market condition which would materially affect the operation or performance of our principal business. Our Directors have confirmed that, up to the date of this prospectus, there had been no material adverse change in our financial or trading position or prospects since 31 December 2021, being the date to which our latest audited financial statements were prepared, and there was no event since 31 December 2021 which would materially affect the information shown in our consolidated financial statements included in the Accountant’s Report set forth in Appendix I to this prospectus.

### Pre-IPO Investments

For the long-term business development of our Group, on 23 March 2021, each of DHQ and Kallo, as our Pre-IPO Investors, entered into a subscription and purchase agreement with Tai Wah and our Company for the subscription and purchase of an aggregate of 1,890 Shares, which represented approximately 17.0% of the total issued share capital of our Company prior to the Capitalisation Issue and the Global Offering. DHQ is an investment company and a wholly-owned subsidiary of 珠海大橫琴集團有限公司 (Zhuhai Da Heng Qin Group Limited\*) (“**Zhuhai DHQ Group**”). Zhuhai DHQ Group is in turn owned by 珠海市人民政府國有資產監督管理委員會 (the State-owned Assets Supervision and Administration Commission of Zhuhai Municipal People’s Government\*) and 廣東省財政廳 (Department of Finance of Guangdong Province\*) as to 90% and 10%, respectively. Zhuhai DHQ Group focuses on managing the state-owned assets of the Heng Qin New District government and DHQ is its principal operating arm for conducting and managing investments outside of the PRC. Kallo is an investment holding company owned by Mr. Chui Sai Peng Jose and his two sons, namely Mr. Chui Derek Tinyol and Mr. Chui Calvin Tinlop (the “**Chui Family**”), as to 60%, 20% and 20%, respectively. To the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, as an investment vehicle of the Chui Family, Kallo has an investment portfolio covering various companies established in Macau and the Greater Bay Area. For further details of the identity and background of our Pre-IPO Investors, see “History, Reorganisation and Corporate Structure — Pre-IPO Investments” in this prospectus.

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### SHAREHOLDER INFORMATION

#### Controlling Shareholders

Immediately following completion of the Capitalisation Issue and Global Offering, and without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and any options that may be granted under the Share Option Scheme), Mr. Chao, through Tai Wah (a company wholly-owned by him), will own 62.28% interest in the enlarged issued share capital of our Company and Mr. Chao and Tai Wah will be a group of Controlling Shareholders after Listing. Save as mentioned above, there is no other person who will, immediately following completion of the Global Offering, and without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and any options that may be granted under the Share Option Scheme, be directly or indirectly interested in more than 30% or more of the Shares in issue. For details, see “Relationship with our Controlling Shareholders” in this prospectus.