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### OVERVIEW

We are an integrated IT solutions services provider in the education and government IT solutions markets in Guangxi with an operating history of over 20 years. We primarily focus on the provision of customised integrated IT solutions services to customers in the education sector, primarily offline formal public education institutions, for the purpose of digitalised campus development. In particular, we aim to utilise technologies in our products and services to assist education institutions to open up and connect different departments, functions and facilities of campus in a single platform, realising the integration and utilisation of data from multiple sources, which improves the overall campus experience and effectiveness of teaching and learning.

Throughout our operating history, we believe we have accumulated extensive knowledge and experience in the education IT solutions market. In 2018, leveraging such experience and in view of the business opportunities in the government IT solutions market emerging from favourable policies and regulations implemented by the PRC Government, we extended our provision of customised integrated IT solutions services to customers in the government sector through replicating our operation model in the education sector, with an aim to assist customers in the government sector in relation to digitalised government development. For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, our revenue generated from services provided to customers in the education sector accounted for 82.8%, 57.2%, 81.3% and 83.8% of our total revenue, respectively; and our revenue generated from services provided to customers in the government sector accounted for 11.5%, 31.6%, 3.7% and 2.4% of our total revenue, respectively. We consider the expansion to the government sector as a diversification of our business operation. Therefore, going forward, we intend to continue to place strategic focus on the provision of customised integrated IT solutions services to customers in the education sector, whilst we will pursue and diversify our business by providing customised integrated IT solutions services to customers in the government sector, when any suitable business opportunities arises.

We are principally engaged in the (i) provision of integrated IT solutions services; (ii) sales of hardware and/or software; and (iii) provision of standalone IT services to our customers. We take pride in our ability to provide customised integrated IT solutions services to our customers. Our integrated IT solutions services include (i) design of integrated IT solutions accommodating the specific requirements of our customers; (ii) development of solution-based application systems and sourcing of suitable hardware, software and equipment; (iii) implementation of integrated IT solutions including construction, integration and upgrade of IT infrastructure and systems; and/or (iv) provision of technical and maintenance supporting services. For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, majority of our revenue was generated from the provision of integrated IT solutions services, which accounted for 91.5%, 83.9%, 81.6% and 57.6% of our total revenue, respectively.

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We are committed to providing customised integrated IT solutions services to education institutions and government authorities for the purpose of digitalised campus and government development. According to the F&S Report, the PRC Government has issued several policies and regulations to promote the development of education and government IT solutions market in the PRC. Local governments also issued supportive policies on the development of education IT solutions market, which clearly states the Guangxi government's intention to improve the integration of information technology and education to develop the education IT solutions market. See "Industry Overview" for further details in relation to the policies. According to the F&S Report, driven by the (i) strong policy support; (ii) increasing public expenditure on education; (iii) strong demand from education industry; and (iv) rapid technological development and iteration, the market size of integrated IT solutions services within the education IT solutions market in Guangxi is expected to grow at a CAGR of 8.3% between 2022 and 2027, reaching RMB6.4 billion in 2027. On the other hand, according to the F&S Report, driven by the (i) favourable government policy; (ii) accelerating urbanisation process; and (iii) rapid technological development, the government IT solutions market in Guangxi is expected to increase at a CAGR of 5.6% between 2022 and 2027, reaching RMB14.1 billion in 2027. Under these industry backdrops, our Directors are of the view that we are well positioned to capture the industry growth momentum.

For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, we were engaged in 122, 89, 106 and 15 integrated IT solutions projects, respectively, which contributed to our revenue for the corresponding years/period. Among these integrated IT solutions projects, four, four and two integrated IT solutions projects, respectively, contributed over RMB10 million to our revenue for the corresponding years. We also executed various landmark projects in Guangxi such as the Big Data Platform (大數據平台) in Beibu Gulf University (北部灣大學), the public class learning centre (公共課學習中心) and the virtual reality innovation laboratory (虛擬現實創新實驗中心) in Guangxi University, the informatisation project of Guangxi Modern Polytechnic College (廣西現代職業技術學院) and the digitalisation and informatisation project of Qingxiu District Government Service Centre (青秀區政務服務中心). See "— Our Services — Our landmark projects" below for further details.

As a result of our quality services and proven track record, we were being named as the first among the "Top 50 Most Competitive IT Services Providers for Government Procurement in Guangxi (廣西政府採購信息技術服務最具競爭力50強)" jointly published by the Government Procurement Big Data Research Institute (政府採購大數據研究院) and the Government Procurement Big Data Network (政府採購大數據網) in 2022, which is determined based on, among others, the number of projects awarded, the total value of the projects awarded and whether any administrative penalty has been imposed on any government procurement projects. According

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to the F&S Report, this market ranking involves various companies of different aspects, and therefore companies being named in such market ranking are relatively competitive in the education IT solutions market.

To enhance our competitiveness, we have placed focus on our research and development to enhance the variety and functions of our product offerings to complement our integrated IT solutions services. As a result of our research and development capabilities, since 2015, we have developed a comprehensive portfolio of product offerings, which include our self-developed products which involve the application of advanced technologies such as big data analytics (e.g. Maiyue Big Data Analysis Platform (邁越大數據分析平台), Maiyue Data Diagnosis Platform (邁越信息化診改平台)), IoT, cloud computing (e.g. Chuangpeng Cloud Desktop Virtualisation System (創鵬雲桌面虛擬化系統)) and AI (e.g. Maiyue One-stop Web Office Automation System (邁越一站式網上辦事大廳系統)). See “— Our Services — Our self-developed product offerings” below for further details. Our self-developed products are fully developed in-house based on our internal research and development, and are not modified versions of other pre-existing third-party’s software. According to the F&S Report, we are one of the few local education IT solutions services providers that have self-developed product offerings in Guangxi. In addition, our continuous research and development efforts have led to, among others, the recognition of two of our major operating subsidiaries, Nanning Maiyue and Guangxi Silunjie, as a “High and New Technology Enterprise” (高新技術企業) by the relevant PRC government authorities in November 2016 (renewed in October 2022) and November 2019, respectively.

Over the years, we also received various awards and certifications in recognition of our quality services and achievements. We obtained certifications of “Guangxi Zhuang Autonomous Region Enterprise Technology Centre” (廣西壯族自治區企業技術中心) issued by government authorities including Guangxi Zhuang Autonomous Region Industry and Information Commission (廣西壯族自治區工業和信息化委員會) and “Capability Maturity Model Integration (CMMI) Development v1.3 Maturity Level 3” issued by CMMI Institute. We were also awarded the “Leading Enterprise in Digitalised Campus (Guangxi)” (智慧校園(廣西)領軍企業) from Guangxi Smart City Research Association (廣西智慧城市研究會) in 2019, “Model Leading Key Demonstration Enterprises under Digital Guangxi Construction” (數字廣西建設標杆引領重點示範企業) from Leading Group Office of Digital Guangxi Construction (數字廣西建設領導小組辦公室) in 2019 and “Top 100 High and New Technology Enterprises in Guangxi” (廣西高新技術企業一百強) from Association of High and New Technology Enterprises in Guangxi (廣西高新技術企業協會) for two consecutive years in 2019 and 2020.

### OUR COMPETITIVE STRENGTHS

Our Directors believe that the following competitive strengths have contributed to our success to date and will continue to promote our expansion:

**We are an integrated IT solutions services provider with an established operating history in the education and government IT solutions markets in Guangxi**

We are an integrated IT solutions services provider with an operating history of over 20 years in the education IT solutions market in Guangxi, and further expanded to the government IT solutions market in Guangxi since 2018. We strive to provide quality and reliable customised services to our customers in the education and government IT solutions markets. As a result of our quality services and proven track record, we were being named as the first among the “Top 50 Most Competitive IT Services Providers for Government Procurement in Guangxi (廣西政府採購信息技術服務最具競爭力50強)” jointly published by the Government Procurement Big Data Research Institute (政府採購大數據研究院) and the Government Procurement Big Data Network (政府採購大數據網) in 2022, which is determined based on, among others, the number of projects awarded, the total value of the projects awarded and whether any administrative penalty has been imposed in relation to any government procurement projects. According to the F&S Report, this market ranking involves various companies of different aspects, and therefore companies being named in such market ranking are relatively competitive in the education IT solutions market.

With our long established and reputable operating track record, we manage to develop our reputation among customers in the education and government IT solutions markets in Guangxi. We have developed and maintained business relationship with various education institutions in Guangxi, for example, Guangxi University (廣西大學), being one of the largest education institutions in Guangxi, and Wuzhou University (梧州學院) for more than ten years and each of these customers was one of our five largest customers during the Track Record Period. Following the extension of our footprint into the government sector in 2018, we have been engaged by government authorities such as the Administrative Approval Bureau of Qingxiu District, Nanning City (南寧市青秀區行政審批局) and the Nanning Intermediate People’s Court (南寧市中級人民法院).

During the Track Record Period, many of our customers which engaged us were primarily financed by government funds. According to the F&S Report, both the PRC government and local governments issued a number of supportive policies on the development of education IT solutions market from time to time. However, according to the F&S Report, due to limited budgets annually assigned to each education institution, they generally implement upgrades of their IT infrastructure and systems in phases. As a result, education institutions may tend to engage the same IT solutions services providers in years by separate engagements to complete an upgrade of their IT

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infrastructure and systems, in order to ensure the quality and compatibility of the IT infrastructure and systems. Therefore, there could be continuous demand from education institutions yearly if our products and services are delivered to our customers' satisfaction. Besides, according to the F&S Report, the rapid technological development and iteration have deeply influenced the education industry. Advanced technologies have provided diversified education IT solutions, which can update teaching and management models to improve the teaching environment and management efficiency of schools and education institutions. Accordingly, the rapid technology development and iteration will lead education institutions to regularly upgrade their IT infrastructure and systems to optimise the learning environment, which will in turn drive the growth of the education IT solutions market. In addition, the department of finance in Guangxi stipulates the standard useful life of fixed assets that is typically relevant to our business, such as computer equipment, networking equipment, electronic equipment, etc., range from six to eight years. Based on the foregoing and our established track record, especially where some of our major customers engaged us on an annual basis within the five years prior to the Track Record Period, we believe that our major customers will engage us on a regular basis to replace and/or upgrade their existing IT systems and infrastructure in the future, which will in turn allow us to continue to generate revenue from these major customers.

With our long established and reputable operating history in the education IT solutions market in Guangxi, we have developed strong ties with customers and completed a number of projects of different scales across majority of the cities in Guangxi and therefore accumulated extensive knowledge and experience in the local IT solutions markets. We believe, which is also supported by the F&S Report, that familiarity and connections developed with customers provide competitive advantages for market players in the IT solutions market to understand, identify and accommodate the specific needs of customers and thus they could be better positioned to leverage their experience to promptly react to market demands and expand alongside the market expansion and increase their market shares by undertaking more projects.

We believe that our strategic focus on providing services to customers in the education sector has significantly contributed to our business growth as we are well positioned to capture the significant growth momentum of the education IT solutions market in Guangxi as one of the early movers in the market. According to the F&S Report, the promotion of education IT solutions has been set as one of the key tasks in the development of education industry in the PRC. Since the last decade, supportive policies on education IT solutions market have been introduced by the PRC Government. See "Industry Overview" for further details in relation to supportive policies issued by the PRC government throughout the years. We believe that our established track record in the education IT solutions market in Guangxi enables us to maintain our market position and capture new business opportunities in the local market. It also allows us to replicate our operation model and expand our business to the education IT solutions market in other regions in the PRC as well as the IT solutions market in other sectors. During the Track Record Period, we have replicated

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our operation model in the education sector to the government sector in Guangxi. Under the market backdrop, we believe that our solid and increasing market presence in the education and government IT solutions markets in Guangxi respectively, as well as our continuous effort in business expansion will continue to enhance our project sourcing capabilities and drive our future growth.

Our significant market presence in Guangxi is further evidenced and strengthened by our establishment of strategic partnerships with state-owned enterprises in Guangxi to capture future business opportunities. For instance, in October 2019, we and Digital Guangxi formed Shuguang Maiyue, an associate company which subsequently became our non-wholly owned subsidiary. See “— Strategic Partnerships” below for further details. We believe that these partnerships with state-owned enterprises only will not only provide us with direct new business opportunities, but can also serve as a recognition of our track record of satisfactory project execution and consolidate our presence in the IT solutions markets in Guangxi as well in the PRC, which will contribute to our business growth in the future.

### **We are equipped with capability in providing integrated IT solutions services which are customised to the distinctive needs of our customers**

We take pride in our ability to provide customised integrated IT solutions services to our customers. We believe that we have forged a renowned reputation as an integrated IT solutions services provider over the years as a result of our customer-oriented and high-quality services, and our ability to provide value-added solutions requested by our customers from time to time. We consider, which is also supported by the F&S Report, that the ability to provide customised services and value-added solutions tailored for the specific needs of customers provides competitive advantages to the market players in the IT solutions market as it can expand their revenue stream by serving a wider group of customers with different requirements. The provision of high-quality and customised services to customers could enhance customers’ satisfaction as well as the market players’ reputation, which would be conducive to the market players’ expansion of market share.

Our value-added integrated IT solutions services can accommodate various needs of our customers which include (i) design of integrated IT solutions accommodating the specific requirements of our customers; (ii) development of solution-based application systems and sourcing of suitable hardware, software and equipment; (iii) implementation of integrated IT solutions including construction, integration and upgrade of IT infrastructure and systems; and/or (iv) provision of technical and maintenance supporting services. We believe that our capability to provide reliable and end-to-end integrated IT solutions services addresses the needs and industry-specific requirements of our customers. In particular, we actively and closely interact with and engage our customers at early stages of projects and offer pre-sales development and

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assistance to them that are relevant to their business needs. We also offer professional technical and maintenance supporting services after the project execution with a focus on providing timely support and troubleshooting services, which are supported by our technical team easily accessible by our customers. We consider that our commitment to deliver reliable and end-to-end integrated IT solutions services keep us ahead of competition.

To ensure the provision of customised integrated IT solutions services, we have project management and technical teams comprising 27 and 23 members as at 30 April 2023, respectively. Our project management team comprised various project managers, whilst our technical team comprised supervisors, network engineers and customer service personnel. Our technical team obtained numbers of certifications and accreditations by completing the trainings and workshops given by our suppliers and professional or certification organisations. We believe that, supported by our project management and technical teams with in-depth technical knowledge, we possess the ability to deliver our customers integrated IT solutions services with convenience and efficiency at a competitive price.

In recognition of the Group's customised services and technologies rendered and adopted in the projects, two of the projects in which the Group was involved, namely, the Big Data Platform project in Nanning Vocational and Technical College (南寧職業技術學院大數據平台建設項目) and the Information Public Teaching Support Platform project in Guangxi University (廣西大學信息化公共教學支撐平台項目) were selected as “100 Excellent Demonstration Cases (100個優秀示範案例)” by various government authorities in Guangxi in July 2021. In these two projects, we provided overall customised IT solutions covering different scenarios and utilised various kinds of products and technologies to tackle any difficulty created by each distinct circumstance. We believe that these recognitions have proven the Group's ability to deliver customised and quality integrated IT solutions services to our customers.

### **We possess research and development capability to enhance the variety and functions of our product offerings to complement our integrated IT solutions services**

In view of the rapid technological development, we strive to provide our customers with customised integrated IT solutions services leveraging our research and development capabilities. Our strong and proven research and development capability facilitates product development for complementing our integrated IT solutions services, which in turn will enhance our competitiveness. Our research and development efforts are managed along principles such as (i) market orientation — we engage in regular communications with our customers in order to understand their needs and requirements at an early stage, which guide our research and development direction; (ii) practicality and scalability — we apply up-to-date technologies and

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emphasise the ability to accommodate future expansion and upgrades when developing products; and (iii) reliability — we ensure the reliability of our products by applying up-to-date technology and extensively testing products prior to implementation.

Our research and development capability is supported by a research and development team comprising over 80 members as at 30 April 2023 which was led by Mr. Zhang. Mr. Zhang is our executive Director and director of technology, who has more than ten years of experience in the IT industry working with our Group. Our research and development team comprised various positions with a wide range of functions, such as product managers, front-end development engineers, testing engineers, implementation engineers and operation and maintenance engineers, who generally possess relevant academic, professional qualifications and/or working experience.

As at 30 April 2023, we had two research and development centres respectively located in Nanning, where we are based, and Chengdu. In 2015, in light of the then various supportive policies, such as the “Ten-year Development Plan for Education IT Solutions (2011-2020)” (《教育信息化十年發展規劃 (2011-2020年)》) issued in 2012 which set the promotion of education IT solutions as a national strategy and the promotion of digital education in different education institutions in Guangxi, we set up our first research and development centre in Nanning. With the focus on the development of application systems, we developed products such as Maiyue Data Diagnosis Platform (邁越信息化診改平台) and Maiyue One-stop Web Office Automation System (邁越一站式網上辦事大廳系統), which can accommodate our customers’ specific operational environment and improve their operating efficiency, and in turn increase our competitiveness in securing additional projects from our customers. However, due to the then relatively slow IT development and limited number of IT talents in Guangxi, we were restricted in terms of developing our own big data analytic and AI related products and thus were required to use those products developed by third parties in our integrated IT solutions projects, which in turn limited the flexibility to customise to fit in the specification of our projects and constrained our cost control. Therefore, in 2018, we decided to set up our second research and development centre in Chengdu. We selected Chengdu as another location of our research and development centre as our Directors consider that it is a rising technology hub in the PRC with a number of IT talents, which is also supported by the F&S Report. Our research and development centre in Chengdu is mainly responsible for the development of products with the use of advanced technologies, such as big data and AI, whilst our research and development centre in Nanning is mainly responsible for the development of application systems. Benefitted by the establishment of our second research and development centre in Chengdu, we have developed products such as Maiyue Big Data Analysis Platform (邁越大數據分析平台) and Maiyue Data Visualisation Platform (邁越數據可視化平台), which, through the use of big data analytic and AI technologies, assist our customers to collect, store and better utilise their data.



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From time to time, we may also collaborate with tertiary institutions to keep ourselves abreast of the latest technologies and developments within the education IT solutions market. For example, we have entered into collaboration agreements with Guangxi University (廣西大學) and Nanning Normal University (南寧師範大學), under which they may provide advice to improve our services and talents to strengthen our workforce. Capitalising on the synergy created through such collaboration, our research and development team is able to leverage their technical know-how, which in turn enhances our ability to develop and integrate advanced technology into our services so that we can better cater to the needs of our customers.

As a result of our research and development efforts, according to the F&S Report, we are one of the few local education IT solutions services providers that has self-developed product offerings in Guangxi. Our self-developed products are fully developed in-house based on our internal research and development, and are not modified versions of other pre-existing third-party's software. We are of the view that whilst one of our competitive strengths lies in its capability in providing integrated IT solutions services, our self-developed products are ancillary and value-added to the provision of integrated IT solutions services as customers' distinctive needs can be satisfied with greater efficiency in the allocation of their IT-related budgets and resources. Depending on the circumstance and requirement of each project, we may use our self-developed products in the provision of our integrated IT solutions services. Notwithstanding that the utilisation of our self-developed products may vary from time to time, our self-developed products were involved in our integrated IT solutions projects to a considerable extent during the Track Record Period and there was an increase in revenue contribution from self-developed products in recent years. For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, our revenue generated from integrated IT solutions projects with our self-developed products involved amounted to RMB22.2 million, RMB37.6 million, RMB26.9 million and RMB0.4 million, respectively, representing 11.7%, 22.2%, 13.5% and 7.6% of our total revenue from integrated IT solutions projects for the corresponding years/period. We believe that, the continuous involvement of our self-developed products in our integrated IT solutions projects demonstrates our sensitivity to technological innovation, which allows us to develop products that are relevant to the business needs of our customers as well as our customers' confidence in the quality of our self-developed products. According to the F&S Report, possessing a successful track record of researching and developing self-developed products is uncommon in the education IT solutions services industry in Guangxi. Leveraging on this unique advantage, we are poised to sharpen such competitive edge by further developing new products to complement our integrated IT solutions services, utilising the existing and to be established or upgraded research and development centres, so that a wider variety of self-developed products can be offered to customers.

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Our continuous research and development efforts have also led to (i) the recognition of two of our major operating subsidiaries, Nanning Maiyue and Guangxi Silunjie, as a “High and New Technology Enterprise” (高新技術企業) by the relevant PRC government authorities in November 2016 (renewed in October 2022) and November 2019, respectively; (ii) a number of awards and recognitions received at both regional and national levels, including our “Maiyue Big Data Digitalised Campus Platform (邁越大數據智慧校園平台)” was selected into the list of 2022 pilot demonstration projects for the development of the big data industry (2022年大數據產業發展試點示範項目名單) in August 2022 by the MIIT, and ranked first among 59 national enterprises selected under the category of “Service Industry Big Data Applications (服務業大數據應用)”, and Nanning Maiyue was awarded the “National Intellectual Property Advantage Enterprise (國家知識產權優勢企業)” by the China National Intellectual Property Administration in September 2022; (iii) a number of subsidies received in recognition of our research and development capability; and (iv) a number of patented technological know-how. As at the Latest Practicable Date, we have obtained 84 software copyrights and 14 patents which include (i) 13 utility models patents (實用新型專利); and (ii) one invention patent (發明專利). See “— Intellectual Property” below and “Statutory and General Information — B. Further Information about our Business — 2. Intellectual property rights” in Appendix IV to this prospectus for further details. We believe that our investment in research and development is critical to our success and provides us with a unique and competitive edge in the IT solutions market in Guangxi.

### **We have an experienced and professional management team with a proven track record in the operation of our business**

We are led by an experienced management team, who has substantial experience in, and in-depth knowledge of, the IT industry in the PRC. In particular, Mr. Li, our executive Director, chief executive officer and Chairman, has over 20 years of experience in the IT industry. Our executive Directors, Ms. Deng and Mr. Zhang also possess over 15 and ten years of experience in the IT industry (both with over ten years of experience with our Group), respectively, while Mr. Wang has over 15 years of experience in sales and corporate management in the IT industry (with over 14 years of experience with our Group). In addition, members of our senior management, including Mr. Li Linfu, our director of sales, Ms. Dai Tianqiao, our chief financial officer, Ms. Liu Man, our financial manager, and Mr. Lu Yanke, our marketing manager, have extensive experience in their respective expertise. See “Directors and Senior Management” for further details on the experience and qualifications of our executive Directors and members of our senior management.

### OUR BUSINESS STRATEGIES

In order to achieve sustainable growth and enhance our presence as an integrated IT solutions services provider, we intend to pursue the following business strategies:

#### **Strengthen our market position and further expand our customer base through continued investments in new projects**

We will continue to expand our foothold in the education IT solutions market in Guangxi in order to capture the growth potential. According to the F&S Report, driven by the (i) strong policy support; (ii) increasing public expenditure on education; (iii) strong demand from education industry; and (iv) rapid technological development and iteration, the market size of integrated IT solutions within the education IT solutions market in Guangxi is expected to grow at a CAGR of 8.3% between 2022 and 2027, reaching RMB6.4 billion in 2027.

As illustrated above, the rapid technology development and iteration will lead education institutions to regularly upgrade their IT infrastructure and systems to optimise the learning environment, which will in turn drive the growth of the education IT solutions market and thus there could be continuous demand from education institutions yearly if our products and services are delivered to our customers' satisfaction.

As an integrated IT solutions services provider in the education IT solutions market in Guangxi with an operating history of over 20 years, we believe that we have accumulated sufficient experience and business network to further enhance our market position. We have developed strong ties and completed a number of projects of different scales across a majority of the cities in Guangxi and therefore accumulated extensive knowledge and experience in the local education IT solutions market. We believe our familiarity and connections developed with the education institutions in Guangxi throughout the years have enabled us to understand, identify and address their specific needs. See “Our Competitive Strengths — We are an integrated IT solutions services provider with an established operating history in the education and government IT solutions markets in Guangxi” above for further details. Therefore, we consider ourselves to be well-positioned to leverage our experience in Guangxi to promptly react to market demands and expand alongside the market expansion and increase our market share by undertaking more projects.

We believe that we are able to differentiate ourselves and demonstrate our distinct competitive strength over other market players to capture additional market share. Our competitiveness can also be demonstrated by our considerable business growth in terms of revenue and gross profit during the Track Record Period. For the years ended 31 December 2020, 2021 and 2022, our revenue amounted to RMB207.1 million, RMB201.7 million, RMB243.3 million,

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respectively, while our gross profit amounted to RMB75.4 million, RMB98.9 million, RMB104.6 million, respectively. Our revenue also increased from RMB8.0 million for the four months ended 30 April 2022 to RMB8.6 million for the four months ended 30 April 2023, while our gross profit also increased from RMB1.3 million to RMB1.7 million. We consider that such business growth clearly showed customers' satisfaction with our services and served as a proof of our good service quality. Taking into account the above and the favourable market conditions, we believe that more projects will be available to us in view of the expected increase in our profile and presence after the Listing.

In light of our solid track record with education institutions in Guangxi as well as our strategic partnerships with state-owned enterprises in Guangxi, we also believe that we can further expand our market share in the education IT solutions market in Guangxi, and replicate our operation model and expand our business to other IT solutions markets in Guangxi and other regions in the PRC. In particular, according to the F&S Report, the PRC Government has issued a series of favourable policies and regulations to support the development of the government IT solutions market, such as “Guiding Opinions on Accelerating the Construction of a National Integrated Online Government Service Platform” (《加快推進全國一體化線上政務服務平台建設的指導意見》) and “Action Plan for Promoting the Development of Big Data” (《促進大數據發展行動綱要》), both issued by the State Council in 2018, which set plans for the development of the government IT solutions market. Besides, according to the F&S Report, the rapid technological development has also been one of the key drivers for the development of the government IT solutions market in the PRC. The emerging and evolving information technologies have provided multiple solutions for the development of digitalised government, and there is an increasing number of subsectors adopting information technologies to improve the operating efficiency of the industries. Therefore, there will be continuous needs for government authorities to upgrade their IT infrastructure and systems in order to optimise their current operating models. In view of the emerging business opportunities in the government IT solutions market, we extended our footprints into the government sector in 2018, with an aim to assist customers in the government sector in relation to digitalised government development. For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, our revenue generated from provision of services in the government sector accounted for 11.5%, 31.6%, 3.7% and 2.4% of our total revenue, respectively. We plan to further establish our market presence in the government sector and, at the same time, seek opportunities to further expand our customer base in education and other sectors. In the long run, we may also consider to expand our market presence outside the PRC if suitable opportunities arise.

We also intend to undertake more integrated IT solutions projects of larger scale in order to further enhance our reputation and drive our future growth. During the Track Record Period, we had undertaken more sizeable projects. For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, we had four, four, two and nil integrated IT solutions

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projects, respectively, which contributed over RMB10 million to our revenue for the corresponding years/period. In particular, for the year ended 31 December 2022, we had an integrated IT solutions project with contract value (excluding VAT) of RMB83.7 million. Leveraging our experience of undertaking large-scale projects, we believe that we will be able to tender for and obtain more large-scale projects, which will provide us with a greater brand exposure and allow us to capture additional future business opportunities.

Our Directors consider that, which is also supported by the F&S Report that, IT solutions services providers need sufficient capital for their operations. They are usually required to pay a substantial amount of cash upfront throughout the execution of projects, such as the procurement costs of hardware, equipment and software, service costs for IT and supporting services and staff costs, whereas customers would only make payments after project completion. Therefore, cash flow management and source of funding serve as common constraints for IT solutions services providers. During the Track Record Period, we utilised cash generated from our operations and borrowings to finance such costs. However, in view of the above and our expansion plan, we expect a considerable increase in customer base as well as the number and/or scale of projects in the future. As such, we will have to dedicate additional financial resources as the initial working capital to invest in our future projects.

We intend to apply approximately 20.9% of the net proceeds from the Global Offering (approximately HK\$20.1 million) to fund our capital needs and cash flow for our new projects as part of our expansion strategy. See “Future Plans and Use of Proceeds” for further details of the expected funding of our new projects.

### **Strengthen our research and development capabilities in product development**

We believe our competitiveness are driven, to a large extent, by our emphasis on research and development in product development. According to the F&S Report, IT solutions services providers with their own research and development capability can provide services that can better satisfy the distinctive needs of their customers and help them to achieve greater efficiency in terms of budget and resource allocation, and thus will have a competitive edge over the other market players. Therefore, to maintain our market position and to capture potential business opportunities in other IT solutions markets, such as the government IT solutions market, in Guangxi and other regions in the PRC, we intend to continuously strengthen our research and development capabilities and commit to the development of potential new products to complement our integrated IT solutions services.

We have set up two research and development centres, which are located in Nanning, (where we are based), and Chengdu, respectively. We believe that the establishment of these two research and development centres not only allows us to develop products which can accommodate more of

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our customers' specific operational environment and improve their operating efficiency, but also enables us to have better cost control and offer more competitive pricing, which in turn drove and will continue to drive our business development. In particular, our self-developed products were continuously involved in our integrated IT solutions projects with an increase in revenue contribution in recent years, which also contributed to our considerable business growth during the Track Record Period, notwithstanding the fact that the utilisation of our self-developed products depends on the circumstance and requirement of each project and may vary from time to time. In addition, as a result of our research and development efforts, according to the F&S Report, we are one of the few local education IT solutions services providers that has self-developed product offerings in Guangxi.

To support our business expansion plan, we intend to offer our customers integrated IT solutions services with the application of a wider variety of technologies, preferably with our self-developed products which can be developed and used to meet the distinctive needs of our customers. Accordingly, we intend to establish a new research and development centre and designate the new research and development centre in Shenzhen to support the development of cloud computing related products. In particular, we will explore the possibility of developing our cloud platform which we intend to provide different kinds of cloud services to our customers and/or their end users, such as cloud services management platform, documents sharing, cloud storage, and data migration. Based on our latest development plan which shall be subject to the industry trend and market demand, we plan to develop the following cloud computing related products:

<b>Product name</b>	<b>Description</b>
Digitalised education/government cloud platform (智慧教育／政務雲平台)	A comprehensive education/government cloud platform, aiming to provide one-stop customised educational/governmental services for its users. It can integrate numerous third party services to provide users with a full range of educational/governmental resources and services. Its goal is to build a unified platform for education/government informatisation at the provincial or city or county or school levels, realise information sharing and optimise efficiency of educational/governmental resources.

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Product name	Description
Digital twin 3D visualisation platform (數字孿生三維可視化平台)	A platform which provides the school management with a full range of three-dimensional simulation scenes of the campus, including indoor and outdoor. It can realise visualisation of the campus, tracking and checking of data from various management systems, unify data of different dimensions into unified three-dimensional scenes, and allow an integrated system of monitoring, early warning, diagnosis and analysis. The platform integrates a variety of real-time data, improves the efficiency of information interaction, and enhances the overall information management.
Digital twin IoT platform (數字孿生物聯網平台)	A platform which provides unified management for school infrastructure and equipment, and upgrades the basic information management experience to a visualised and touchable mode. It allows a unified IoT management platform, realises unified access of sensing devices, centralised management and data sharing and utilisation. In particular, it can connect all kinds of equipment of the school to allow real-time perception and response, and thus realise management and control, and improve the quality and efficiency of information management and services.

We intend to utilise and integrate the cloud computing related products developed under our research and development projects with our existing integrated IT solutions services to increase the variety of our products and services, so as to enhance our capability to provide customised integrated IT solutions. These products are planned to be applicable to both education and government segments.

Our focus on cloud computing related products and services is based on the latest industry trend and development in the education and government IT solutions markets. According to the F&S Report, with the rapid development of related technologies, including IoT and AI, along with the upgrade of IT infrastructure, the demand for cloud services to be applied in the IT infrastructure in education institutions and government authorities in the PRC will continue to grow in the foreseeable future. In particular, according to the “Action Plan for the Integration and Development of Virtual Reality and Industry Applications (2022-2026)” (《虛擬現實與行業應用融合發展行動計劃 (2022-2026年)》) jointly issued by MIIT, MOE, the Ministry of Culture and Tourism of the PRC (中華人民共和國文化和旅游部), the National Radio and Television Administration (國家廣播電視總局), and the General Administration of Sport of China (國家體育

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總局) in November 2022, the overall market size of virtual reality related market will exceed RMB350 billion in the PRC, and advanced technologies such as 5G, artificial intelligence, big data, cloud computing, blockchain, and digital twins will all become the key technologies for future informatisation development. On the other hand, according to the F&S Report, there is no dominating player in the education IT solutions market in the PRC for cloud computing related products, which shall offer us considerable growth potential to develop the products to maintain our competitiveness.

During the Track Record Period, we had completed five integrated IT solutions projects with an aggregate contract value of more than RMB15 million, which involved relevant cloud computing related products procured by us from third party suppliers. We had also been unable to secure several orders in relation to relevant cloud computing related products and services, with an expected aggregate contract value of more than RMB20 million during the Track Record Period, from our potential customers, after considering factors such as the procurement costs required and our capacity at the material time.

We consider that developing our own products and services, rather than relying on third party products or services, would be in the interest of our Group. Not only are we able to have a better cost control and thus more competitive pricing due to our ability to reduce the procurement costs incurred in purchasing software from third parties, we are able to customise the products and services tailored for the needs of our potential customers. Furthermore, we can better manage the risks associated with our integrated IT solutions services, including the risk that our suppliers may not be able to provide timely delivery of their products or services. Therefore, we believe that there are sufficient market demand and business needs to support the establishment of the new research and development centre and the development of cloud computing related products and services.

In terms of the location of establishing the new research and development centre, in line with our past business strategies, we plan to set up our third research and development centre in Shenzhen. In 2018, we strategically selected Chengdu as the location of our second research and development centre, having considered that (i) it was estimated that there would be an increase in demand of big data analytic and AI related products; (ii) due to the then relatively slow IT development and limited number of IT talents in Guangxi, we were restricted to develop our own big data analytic and AI related products and thus would be required to use those products developed by third parties in our integrated IT solutions projects, which in turn limited the flexibility to customise to fit in the specification of our projects and constrained our cost control; (iii) Chengdu is a rising technology hub in the PRC with a number of IT talents and thus setting up a research and development centre there would be beneficial to us to develop products with the use of advanced technologies, such as big data and AI. Upon setting up of our second research and development centre, our research and development centre in Chengdu has been mainly responsible



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for researching the application of advanced technologies, such as developing the relevant algorithm, while our research and development centre in Nanning which is closer to our customers is mainly responsible for designing the interfaces and production of application systems, incorporating the technologies developed by Chengdu centre, in order to accommodate most of the business needs of our customers. As a result, we developed products such as Maiyue Big Data Analysis Platform (邁越大數據分析平台) and Maiyue Data Visualisation Platform (邁越數據可視化平台) and, benefitted by such effort, our self-developed products were continuously involved in our integrated IT solutions projects in recent years.

As a result, although our primary business strategy is to further strengthen our market position in Guangxi and there were alternatives of strengthening our research and development capabilities such as expanding our existing research and development centres, we consider leveraging our experience and success in setting up of our second research and development centre in Chengdu and then our third research and development centre in Shenzhen, the proximity of which to Nanning (where we based) is even closer than Chengdu, would be in our general interest as further elaborated below. Similar to the responsibility of our research and development centre in Chengdu, the new research and development centre in Shenzhen will be mainly responsible for researching the application of cloud computing related technologies, such as developing the relevant algorithm, which will be incorporated in the application system products to be designed and produced by Nanning centre.

We believe that the setting up of an additional research and development centre in Shenzhen is in line with the development and growth of the IT industry in the PRC. Our Directors are of the view, which is also supported by the F&S Report that, Shenzhen is one of the top cities in the IT industry in the PRC. The development of the IT industry in Shenzhen is also supported by the government policies, such as the “Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area” (《粵港澳大灣區發展規劃綱要》) issued in February 2019, which stipulated, among others, the goal to promote the Greater Bay Area as the capital of technological innovation and IT services. Under such plan, the Greater Bay Area will be further developed as a strategic economic zone in the PRC, and Shenzhen will play a significant role in the overall IT services development in the PRC. As a result, we believe that setting up a research and development centre in Shenzhen can provide us with cutting-edge research and development capabilities and IT talents. We may also, by leveraging the proximity with many top market players in the industry, including hardware and/or software suppliers, have closer interaction and communication with such suppliers, which shall in turn facilitate our development of cloud computing related products.

We also consider that the setting up of a new research and development in Shenzhen will enable us to achieve our business strategies. We had a considerable business growth in terms of revenue and gross profit during the Track Record Period, which demonstrates our competitiveness

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in the education IT solutions market in Guangxi and considerable growth potential to further expand our market share in the education IT solutions market in Guangxi, as well as to expand our business to other IT solutions markets in Guangxi and other regions in the PRC, when suitable opportunity arises. We consider that, in addition to improving our research and development capability, this will also improve our corporate image and market reputation as having an additional research and development centre in one of the top cities in the IT industry would demonstrate to our customers our devotion and effort in continuously strengthening our research and development capability, and hence facilitate our development of business relationship with potential customers based in the nearby cities in the long run.

Subject to (i) the availability of net proceeds from the Global Offering to finance the costs associated with the establishment of the research and development centre and the recruitment of research and development personnel; (ii) the availability of hardware, software and equipment to be supplied by our suppliers for research and development purposes; and (iii) the actual implementation progress including the progress of setting up the research and development centre and the results of designing, developing and testing the relevant programs or systems, it is expected that we can commence the operation of the research and development centre and the development of the abovementioned cloud computing related products in the fourth quarter of the year ending 31 December 2023, and complete the design and development stage of the products and the testing stage by the third and fourth quarter of the year ending 31 December 2024, respectively, and launch, promote and deploy the products thereafter. Based on, among others, the foregoing and the estimated costs of equipment and manpower required in the new research and development centre and the historical costs required for our integrated IT solutions projects, and subject to, among others, the timing of developing the related products, the response received from our customers and our ability to hire qualified staff, we estimate the investment breakeven and payback period of the new research and development centre will be approximately three to four years and four to five years, respectively. It is also estimated that there would be an increase in depreciation expense of RMB1.2 million per annum for two years after the establishment of the new research and development centre in Shenzhen. However, we are of the view that the benefits to be brought by the establishment of such research and development centre would outweigh its costs. We believe that, with our self-developed cloud computing related products, we can also enhance market presence as an integrated IT solutions services provider by promoting these newly developed products to our existing and potential customers, which will boost up our revenue in the long run.

Apart from the establishment of our new research and development centre in Shenzhen, we also intend to continuously enhance the capability of our existing research and development centres in Nanning and Chengdu. Our research and development efforts in product development mainly include (i) regular communications with our customers to understand their needs and requirements; (ii) applications of up-to-date technologies and continuous expansion and updates of

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our solutions; and (iii) extensive testing of our IT solutions. Therefore, to support our expansion plan and maintain the quality of our integrated IT solutions services, we believe that it is essential to expand our existing research and development centres in Nanning and Chengdu. In this connection, we intend to recruit local personnel with background in the IT industry.

We intend to apply approximately 27.8% of the net proceeds from the Global Offering (approximately HK\$26.8 million) to strengthen our research and development capabilities. See “Future Plans and Use of Proceeds” for further details of (i) the cost associated with the establishment and strengthening of our research and development centres; and (ii) the number of research and development personnel to be recruited, their respective functions and the cost associated.

### **Recruit talents to explore future business opportunities and enhance our competitiveness**

As part of our expansion strategies, we intend to strengthen our market position by reaching out to more customers in order to capture future business opportunities and solidifying our relationships with our existing customers who may engage us in new projects. In this connection, we intend to hire additional sales and marketing personnel with extensive experience and relevant qualifications. With an expanded sales and marketing team, we can increase the frequency of marketing activities to maintain close relationship with existing and new customers and respond promptly to their requirements and preferences, thereby capturing new sales opportunities and expanding our market share.

Alongside our business expansion, we intend to expand our project management team and technical team to support our additional projects, especially having considered our intention to expand our business to other regions and other IT solutions markets.

We intend to apply approximately 9.1% of the net proceeds from the Global Offering (approximately HK\$8.8 million), for recruitment of additional staff in our sales and marketing team, project management team and technical team in support of our business expansion. See “Future Plans and Use of Proceeds” for further details on the numbers of employees to be recruited, their respective functions and the costs associated.

### **Upgrade our own IT infrastructure to achieve operational efficiency**

Our business encompasses different kinds of works such as design of integrated IT solutions, development of solution-based application systems and sourcing of suitable hardware, software and equipment, implementation of integrated IT solutions, and/or provision of technical and maintenance supporting services. Therefore, to cope with our business expansion, it is important for us to have enhanced IT infrastructure to support our operation of different functions and

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locations. We plan to upgrade and optimise our existing IT infrastructure including hardware (e.g. computer equipment, projecting equipment and printing equipment) and software (e.g. monitoring and managing system) which encompasses functions of data storage, electronic documentation, communication technology network, computer systems and information security to help our management effectively monitor and control our operations. We believe that the upgrades of our information technology system will ensure effective coordination among various aspects of our business as we expand.

In addition, our plan of upgrading our own IT infrastructure also includes setting up interactive information kiosks in our offices which will serve as direct access points to allow our existing and/or potential local customers to gain first-hand experience in the usage and functionality of our IT solutions services and products offered by us, whereas our technical staff will provide demonstration of the software application as well as integration of different types of IT products and services to our customers. Through the interactive information kiosks, we also intend to provide demonstrations and proof of concepts services for pitching potential customers which can in turn support our business strategies of expanding our customer base and strengthening our market position.

We intend to apply approximately 11.8% of our net proceeds from the Global Offering (approximately HK\$11.4 million) to upgrade our IT infrastructure. See “Future plans and use of proceeds” for further details.

### **Enhance our brand recognition and awareness**

We are well-established in the education IT solutions market in Guangxi and we believe that our customers associate us with customised integrated IT solutions and quality customer services. We believe our reputation as a customised integrated IT solutions services provider is vital to our ongoing success.

We plan to continue establishing a customer-oriented brand image by increasing our marketing efforts in arranging for more marketing activities, such as attending more industry conferences and seizing opportunities to form partnerships with our business partners, to increase brand recognition and brand loyalty. We believe that this is complementary to and will support our other expansion plan. In particular, we will need to promote and raise awareness of our continuous technological innovation in order to attract more customers. Enhancing our brand recognition will also facilitate our negotiations with our suppliers for cooperation and collaboration in the procurement of hardware, equipment and software and provision of services. We intend to apply our internal resources to enhance our brand recognition and awareness.

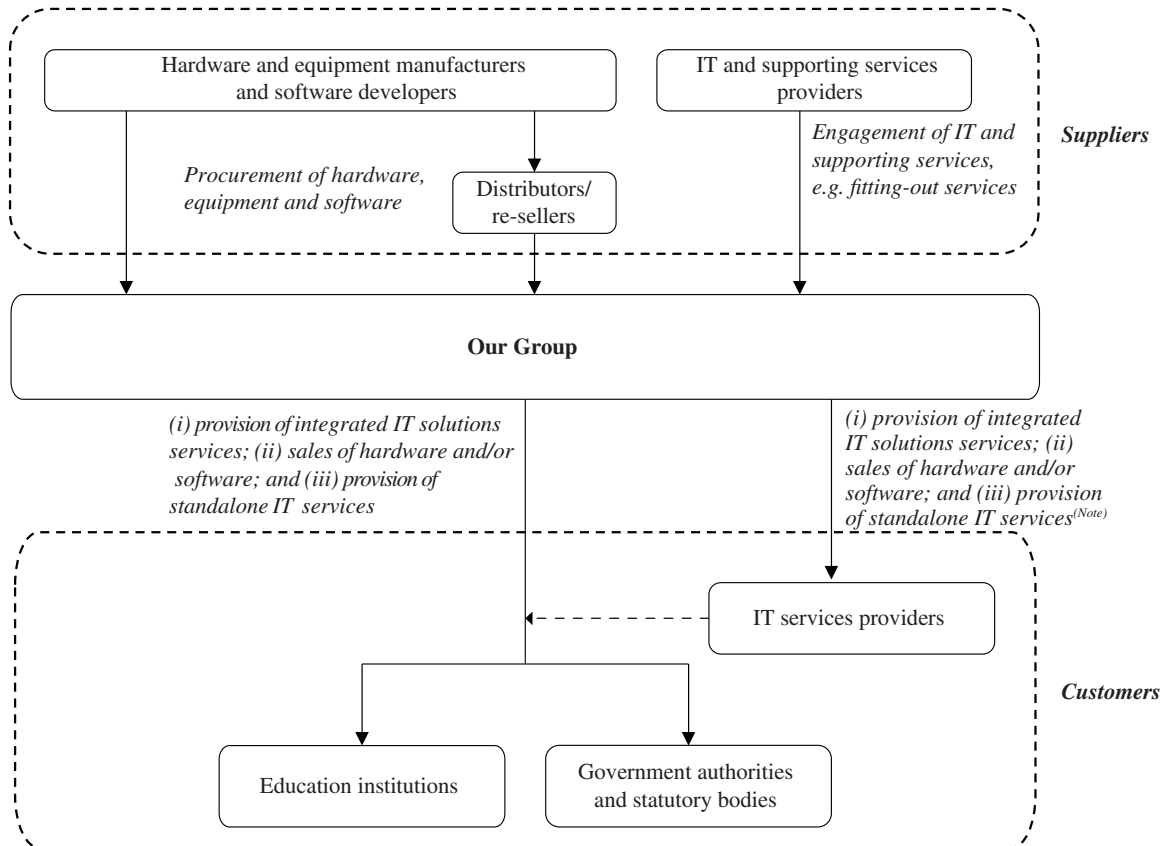
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### OUR BUSINESS MODEL

We are an integrated IT solutions services provider, which principally engaged in the (i) provision of integrated IT solutions services; (ii) sales of hardware and/or software; and (iii) provision of standalone IT services. The following diagram illustrates our business model:



*Note:* Other IT services providers may (i) assign us all or part of their project works by engaging us for the provision of integrated IT solutions services; or (ii) purchase hardware and software, and standalone IT services from us.

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### OUR SERVICES

During the Track Record Period, our services can be categorised into three segments, namely (i) integrated IT solutions services; (ii) sales of hardware and/or software; and (iii) standalone IT services. The following table sets out a breakdown of our revenue by business segment for the years/periods indicated:

	Years ended 31 December						Four months ended 30 April			
	2020		2021		2022		2022		2023	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	(Unaudited)									
Integrated IT solutions services . . . . .	189,485	91.5	169,337	83.9	198,491	81.6	1,690	21.1	4,976	57.6
Sales of hardware and/or software . . . . .	12,225	5.9	26,834	13.3	40,980	16.8	5,662	70.8	2,924	33.8
Standalone IT services . . . . .	5,364	2.6	5,571	2.8	3,784	1.6	644	8.1	741	8.6
<b>Total . . . . .</b>	<b>207,074</b>	<b>100.0</b>	<b>201,742</b>	<b>100.0</b>	<b>243,255</b>	<b>100.0</b>	<b>7,996</b>	<b>100.0</b>	<b>8,641</b>	<b>100.0</b>

We secure our projects through tendering, quotations or direct engagement. See “— Sales and Marketing — Tendering” below for further details.

#### Integrated IT solutions services

We have been focusing on the provision of customised integrated IT solutions services according to the specific requirements of our customers. Our customised integrated IT solutions include (i) design of integrated IT solutions accommodating the specific requirements of our customers; (ii) development of solution-based application systems and sourcing of suitable hardware, software and equipment; (iii) implementation of integrated IT solutions including construction, integration and upgrade of IT infrastructure and systems; and/or (iv) provision of technical and maintenance supporting services. See “— Our Operation” below for further details of our typical work flow and duration in relation to provision of our integrated IT solutions services. For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, a majority of our revenue was generated from the provision of integrated IT solutions services, which accounted for 91.5%, 83.9%, 81.6% and 57.6% of our total revenue, respectively.

During the Track Record Period, while we strategically focused on the education sector, we have leveraged our experience accumulated throughout the development and provision of integrated IT solutions services in the education sector and effectively expanded our service

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coverage to the government sector with an aim to assist customers in the government sector in relation to digitalised government development. See “— Our Customers” for further details in relation to the breakdown of our revenue by industry sector of end users during the Track Record Period.

### *Our projects undertaken during the Track Record Period*

For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, we engaged in 122, 89, 106 and 15 integrated IT solutions projects, respectively, which contributed to our revenue. The following table sets out a breakdown of our integrated IT solutions projects by revenue recognised for the years/period indicated:

	Years ended 31 December			Four months ended 30 April
	2020	2021	2022	2023
<b>Revenue recognised</b>				
Over RMB10,000,000 . . . . .	4	4	2	—
RMB5,000,000 to RMB10,000,000 . . .	5	5	3	—
RMB1,000,000 to RMB5,000,000 . . . .	31	30	27	1
Below RMB1,000,000 . . . . .	82	50	74	14
<b>Total</b> . . . . .	<u>122</u>	<u>89</u>	<u>106</u>	<u>15</u>

*Note:* The number of projects in the table denotes projects which had generated revenue during the year and may include projects that were brought forward from previous years.

The following table sets out the number of integrated IT solutions projects awarded to us and completed for the years/period indicated:

	Years ended 31 December			Four months ended 30 April
	2020	2021	2022	2023
Projects brought forward . . . . .	11	6	6	12
Number of new projects awarded . . . .	117	89	112	24
Number of projects completed . . . . .	(122)	(89)	(106)	(15)
Projects carried forward . . . . .	<u>6</u>	<u>6</u>	<u>12</u>	<u>21</u>

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The following table sets out the contract value (excluding VAT) of integrated IT solutions projects awarded to us and revenue recognised for the years/period indicated:

	Years ended 31 December			Four months ended 30 April
	2020	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Outstanding contract value (excluding VAT) as at the beginning of the year/period. . . . .	13,368	19,063	6,636	11,681
Contract value (excluding VAT) of projects awarded during the year/period <sup>(Note)</sup> . . . . .	195,180	156,910	203,536	7,506
Revenue recognised during the year/period. . . . .	(189,485)	(169,337)	(198,491)	(4,976)
Outstanding contract value (excluding VAT) as at the end of the year/period. . . . .	<u>19,063</u>	<u>6,636</u>	<u>11,681</u>	<u>14,211</u>

*Note:* For projects in which we were or will be regarded as an agent pursuant to the relevant accounting standards and policies, for the purpose of this table, we only include the revenue recognised or expected to be recognised by us as the contract value.

The following table sets out a breakdown of outstanding contract value (excluding VAT) of integrated IT solutions projects by industry sector of end users as at the date indicated:

	As at 31 December			As at 30 April
	2020	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Education . . . . .	6,686	4,951	10,383	12,362
Government. . . . .	12,377	1,685	1,298	1,849
<b>Total</b> . . . . .	<u>19,063</u>	<u>6,636</u>	<u>11,681</u>	<u>14,211</u>



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Subsequent to the Track Record Period and up to the Latest Practicable Date, we were awarded 23 integrated IT solutions projects from which we expect to derive revenue of RMB71.4 million and completed 22 integrated IT solutions projects with contract value (excluding VAT) of RMB7.8 million. As at the Latest Practicable Date, we had (i) 22 ongoing integrated IT solutions projects with outstanding contract value (excluding VAT) of RMB76.2 million; and (ii) outstanding contract value (excluding VAT) of RMB1.2 million attributable to maintenance works after for our completed projects. Out of the 22 ongoing integrated IT solutions projects, 21 projects are projects with end users in the education sector and the remaining project is a project which does not specify the end users of the projects. See “— Our Services — Integrated IT solutions services — Our ongoing projects” for further details of our ongoing projects as at the Latest Practicable Date.

Our five largest integrated IT solutions projects in terms of revenue recognised in each year during the Track Record Period accounted for 34.3%, 41.4% and 57.6% of our total revenue recognised from integrated IT solutions projects for the years ended 31 December 2020, 2021 and 2022, respectively; while, due to seasonality effect on our business operation resulting in majority of our revenue being recognised during the fourth quarter of the year in general, our largest integrated IT solutions project in terms of revenue recognised in that period accounted for 89.1% for the four months ended 30 April 2023. See “— Our operation — Seasonality” for details of seasonality effect on our business operation. The following tables set out the details of our five largest integrated IT solutions projects for the years/period indicated:

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### Year ended 31 December 2020

Rank	Project	Customer	Nature of works	Type of customers	Industry sector of end users	Year awarded	Year of completion	Year ended 31 December 2020		
								Contract value (excluding VAT)	Revenue recognised	Percentage of segment revenue
								RMB'000	RMB'000	%
1	Project F	Shuguang Maiyue <sup>(1)</sup>	Integrated IT solutions services in relation to the implementation of a cloud data centre, which involved the installation of hardware and software in relation to cloud data system platform and cloud service management system	IT services providers	Education	2020	2020	18,849	18,849	9.9
2	Project G	Shuguang Maiyue <sup>(1)</sup>	Integrated IT solutions services in relation to the connection of network within the education institution, which involved the installation of hardware and software in relation to virtual network system, intelligent management system, IT resources management system, etc.	IT services providers	Education	2020	2020	15,242	15,242	8.0
3	Project H	Customer B <sup>(1)</sup>	Integrated IT solutions services in relation to the upgrade of the computer rooms in an education institution, which involved the installation of hardware and software in relation to virtualised cloud desktop system, data analytic system and reservation system, etc.	End users	Education	2020	2020	11,902	11,902	6.3
4	Project I	Customer I <sup>(1)</sup>	Integrated IT solutions services in relation to the upgrade of the computer rooms in an education institution, which involved the installation of hardware and software in relation to virtualised cloud desktop system and data analytic system etc.	IT services providers	Education	2020	2020	10,679	10,679	5.6
5	Project J	Digital Guangxi <sup>(1)</sup>	Integrated IT solutions services in relation to the migration of database systems, which involved installation of the relevant hardware and software	IT services providers	Government	2020	2020	34,138 <sup>(2)</sup>	8,581	4.5
<b>Total revenue recognised</b>									<b>65,253</b>	<b>34.3</b>

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### Year ended 31 December 2021

Rank	Project	Customer	Nature of works	Type of customers	Industry sector of end users	Year awarded	Year of completion	Year ended 31 December 2021		
								Contract value (excluding VAT)	Revenue recognised	Percentage of segment revenue
								RMB'000	RMB'000	%
1	Project K	Digital Guangxi <sup>(1)</sup>	Integrated IT solutions services in relation to the migration of IT systems, which involved installation of the hardware and software in relation to office automation system and data management system	IT services providers	Government	2021	2021	18,806	18,800	11.1
2	Project L	Customer J <sup>(1)</sup>	Integrated IT solutions services in relation to the construction of IT infrastructure in an education institution, which involved installation of the hardware and software in relation to audio management system, book management system, mental health management system, etc.	End users	Education	2021	2021	15,248	15,248	9.0
3	Project M	Digital Guangxi <sup>(1)</sup>	Integrated IT solutions services in relation to the migration of IT systems, which involved installation of the hardware and software in relation to document and information management system	IT services providers	Government	2021	2021	14,703	14,703	8.7
4	Project N	Customer K <sup>(1)</sup>	Integrated IT solutions services in relation to the construction of a security system, which involved installation of the hardware and software in relation to security system	IT services providers	Government	2021	2021	12,982	12,982	7.7
5	Project O	Digital Guangxi <sup>(1)</sup>	Integrated IT solutions services in relation to the implementation of data centre, which involved installation of the relevant hardware and software	IT services providers	Government	2020	2021	33,360 <sup>(2)</sup>	8,316	4.9
<b>Total revenue recognised</b>									<b>70,049</b>	<b>41.4</b>

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### Year ended 31 December 2022

Rank	Project	Customer	Nature of works	Type of customers	Industry sector of end users	Year awarded	Year of completion	Year ended 31 December		
								Contract value (excluding VAT)	Revenue recognised	Percentage of segment revenue
								2022		
								RMB'000	RMB'000	%
1	Project R <sup>(3)</sup>	Customer X <sup>(1)</sup>	Integrated IT solutions services in relation to the construction and upgrade of IT infrastructure of more than 200 primary and secondary schools within an area in Guangxi, which involved installation of more than 600 multi-media classrooms and classroom synchronise system for more than 1300 classrooms, etc..	End users	Education	2022	2022	86,882	83,722	42.2
2	Project P	Customer O <sup>(1)</sup>	Integrated IT solutions services in relation to the construction of IT infrastructure in an education institution, which involved installation of the hardware and software in relation to digitalised classroom system, digitalised classroom management system, recording system and intelligent teaching management system, etc.	End users	Education	2022	2022	11,177	11,177	5.6
3	Project Q	Customer B <sup>(1)</sup>	Integrated IT solutions services in relation to the construction of a virtual reality innovative laboratory, which involved installation of the hardware and software in relation to virtual simulation experiment teaching management platform, virtual reality large-screen teaching system, multi-person collaborative adaptation system and virtual reality content creation system, etc.	End users	Education	2022	2022	8,473	8,473	4.3
4	Project S	Customer R	Integrated IT solutions services in relation to the construction of IT infrastructure in an education institution, which involved installation of the hardware and software in relation to data management system, big data analytic system and unified identity verification system, etc.	End users	Education	2022	2022	5,597	5,597	2.8
5	Project T	Customer Q	Integrated IT solutions services in relation to the implementation of internet server in an education institution, which involved installation of the hardware and software in relation to wireless network system, network maintenance management system, etc.	End users	Education	2022	2022	5,330	5,330	2.7
								114,299	57.6	

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### Four months ended 30 April 2023<sup>(4)</sup>

Rank	Project	Customer	Nature of works	Type of customers	Industry sector of end users	Year awarded	Year of completion	Four months ended 30 April 2023		
								Contract value (excluding VAT)	Revenue recognised	Percentage of segment revenue
								RMB'000	RMB'000	%
1	Project U	Customer S <sup>(1)</sup>	Integrated IT solutions in relation to the upgrade and expansion of computer training room in an education institution, which mainly involved installation of computers, etc.	End users	Education	2022	2023	4,432	4,432	89.1

*Notes:*

- (1) See “— Our Customers” below for further details of the background of this customer.
- (2) We acted as an agent under the project and therefore recognised some of the revenue on a net basis.
- (3) We recorded gross profit margin of 53.9% for this project, which was higher than our overall gross profit margin for the year. Our Directors consider the higher gross profit margin was mainly attributable to our higher bargaining power due to the involvement of relatively large amount of products and locations and the relevant completion timeframe (i.e. around three months). In order to complete the project within the required timeframe, we were required to conduct and we had conducted various preparation works and pre-order of relevant hardware or software prior to the project commencement. We procured the relevant customer and project through tendering for the project in 2022.
- (4) Except for Project U, each of our other integrated IT solutions projects for the four months ended 30 April 2023 recorded revenue of less than RMB0.5 million for the period.

## BUSINESS

### *Our ongoing projects*

As at the Latest Practicable Date, we had 22 ongoing integrated IT solutions projects which we expect to derive revenue of RMB76.2 million for the year ending 31 December 2023. The following table sets out the summary of our five largest ongoing integrated IT solutions projects in terms of revenue expected to be recognised for the year ending 31 December 2023:

Rank	Project	Customers	Type of customer	Industry sector of end users	Year awarded	Contract Value (including VAT)	Revenue recognised during the Track Record Period	Revenue expected to be recognised for the year ending 31 December 2023
						<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
1	Project X . . . .	Customer V	End users	Education	2023	65,185	—	57,686
2.	Project V . . . .	Customer G <sup>(1)</sup>	End users	Education	2023	3,771	—	3,337
3.	Project Y . . . .	Customer W	End users	Education	2023	3,587	—	3,174
4.	Project Z . . . .	Customer EE	End users	Education	2023	3,566	—	3,156
5.	Project W . . . .	Customer U	IT services providers	Education	2023	1,400	—	1,239

*Note:*

(1) See “— Our Customers” below for further details of the background of this customer.

### *Our self-developed product offerings*

As a result of our research and development capabilities, since 2015, we have developed a comprehensive portfolio of product offerings involving application of advanced technologies such as big data analytics, IoT, cloud computing and AI, to complement our integrated IT solutions services. Our self-developed products are fully developed in-house based on our internal research and development, and are not modified versions of other pre-existing third-party’s software. According to the F&S Report, we are one of the few local education IT solutions services providers that have self-developed product offerings in Guangxi. Depending on the circumstance and requirement of each project, we may use our self-developed products in the provision of our integrated IT solutions services.

The following table sets forth a breakdown of our integrated IT solutions projects by whether or not our self-developed products were involved for the years/period indicated:

	Years ended 31 December						Four months ended 30 April													
	2020			2021			2022			2023										
	Number of projects	Percentage of segment revenue	Gross profit margin	Number of projects	Percentage of segment revenue	Gross profit margin	Number of projects	Percentage of segment revenue	Gross profit margin	Number of projects	Percentage of segment revenue	Gross profit margin								
Integrated IT solutions projects		RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%							
— our self-developed products involved <sup>(Note)</sup>	26	22,159	11.7	15,040	67.9	25	37,566	22.2	29,472	78.5	20	26,855	13.5	19,821	73.8	1	376	7.6	359	95.5
— our self-developed products not involved	96	167,326	88.3	54,090	32.3	64	131,771	77.8	54,649	41.5	86	171,636	86.5	74,954	43.7	14	4,600	92.4	487	10.6
<b>Total</b>	122	189,485	100.0	69,130	36.5	89	169,337	100.0	84,121	49.7	106	198,491	100.0	94,775	47.7	15	4,976	100.0	846	17.0

Note: A project is regarded to have our self-developed products involved if our self-developed products in the project contribute more than 50% of the total revenue of software sold within the project. Such threshold on the level of involvement was determined by our management with reference to their industry knowledge and experience.

## BUSINESS

During the Track Record Period, we determined whether we would use our self-developed products and include such in our tender proposal or quotation based on the specifications and requirements of the projects. We believe that the general increase in utilisation of our self-developed products during the Track Record Period could be largely attributed to our focus on research and development. Going forward, with our continuous focus on research and development, we believe that we can develop a wider variety of self-developed product offerings in the future, which will in turn allow us to deploy more integrated IT solutions projects of different specifications and requirements.

The following table sets out the summary of our self-developed product offerings:

Product name	Associated registered intellectual property rights <i>(Note)</i>	Target Users	Main focus
<b>Maiyue Unified Identity Verification System</b> (邁越統一身份認證系統) . . . . .	Maiyue Unified Identity Verification System v1.0 (邁越統一身份認證系 統 v1.0) (Registration year: 2019)	<ul style="list-style-type: none"> <li>• Education institutions</li> <li>• Government authorities</li> </ul>	Through providing functions including data collection, data management, application system connection and verification management, the system provides a unified identity and access management system for organisations to allow users to access different IT systems across the organisations.
<b>Maiyue Data Diagnosis Platform (邁越信息            化診改平台)</b> . . . . .	Maiyue Data Diagnosis Platform v2.0 (邁越信 息化診改平台v2.0) (Registration year: 2019)	<ul style="list-style-type: none"> <li>• Education institutions</li> </ul>	Through providing management and diagnosis functions with the utilisation of big data analytic technology, the platform offers an internal diagnosis system for education institutions with an aim to assist them to improve the teachers' teaching quality and the students' academic behaviours.
<b>Maiyue Data Centre Platform</b> (邁越數據中心平台). . . . .	Maiyue Data Centre Platform v1.0 (邁越數據中心平台 v1.0) (Registration year: 2020)	<ul style="list-style-type: none"> <li>• Education institutions</li> <li>• Government authorities</li> </ul>	Through the use of data collection and computing technologies such as distributed collection and distributed computing, a data centre platform is set up to collect, process and analyse all the data of the organisations, and optimise the value of data.



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Product name	Associated registered intellectual property rights <i>(Note)</i>	Target Users	Main focus
<b>Maiyue Big Data Analysis Platform (邁越大數據分析平台)</b> . . . . .	Maiyue Big Data Analysis Platform v1.0 (邁越大數據分析平台 v1.0) (Registration year: 2020)	<ul style="list-style-type: none"> <li>• Education institutions</li> <li>• Government authorities</li> </ul>	Through the use of big data analytic related technology, the platform enhances the data mining capabilities of organisations by providing the management of the organisations various types of big data analysis and application functions to facilitate their decision-making processes.
<b>Chuangpeng Cloud Desktop Virtualisation System (創鵬雲桌面虛擬化系統)</b> . . . . .	Chuangpeng Cloud Desktop Virtualisation System v6.0 (創鵬雲桌面虛擬化系統 v6.0) (Registration year: 2020)	<ul style="list-style-type: none"> <li>• Education institutions</li> <li>• Government authorities</li> </ul>	Through the use of cloud computing technology, the system allows centralised servers to provide and manage virtual desktops, where end users can access to their individual desktops through network with different devices at different locations of the organisation.
<b>Maiyue One-stop Web Office Automation System (邁越一站式網上辦事大廳系統)</b> . . . . .	Maiyue One-stop Web Office Automation System v1.0 (邁越一站式網上辦事大廳系統 v1.0) (Registration year: 2018)	<ul style="list-style-type: none"> <li>• Education institutions</li> <li>• Government authorities</li> </ul>	Through the use of technologies such as workflow engine and AI technology (natural language processing), the system offers a unified office automation platform for organisations which provides cross-system and cross-department office processing functions with the support of intelligent functions.
<b>Maiyue Data Visualisation Platform (邁越數據可視化平台)</b> . . . . .	Maiyue Data Visualisation Platform v1.0 (邁越數據可視化平台 v1.0) (Registration year: 2021)	<ul style="list-style-type: none"> <li>• Education institutions</li> <li>• Government authorities</li> </ul>	Through the use of data technologies, including data mining and accurate portrait production, the system helps our customers to increase the value of their data.

*Note:* See “Statutory and General Information — B. Further information about our business — 2. Intellectual property rights” in Appendix IV to this prospectus for further details.

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The following sets out the details of our self-developed product offerings:

### Maiyue Unified Identity Verification System (邁越統一身份認證系統)

We build a unified identity and access management system for organisations to allow users to access different IT systems across the organisations with their respective unique and unified user identities. The system structure can be divided into four layers, including the following:

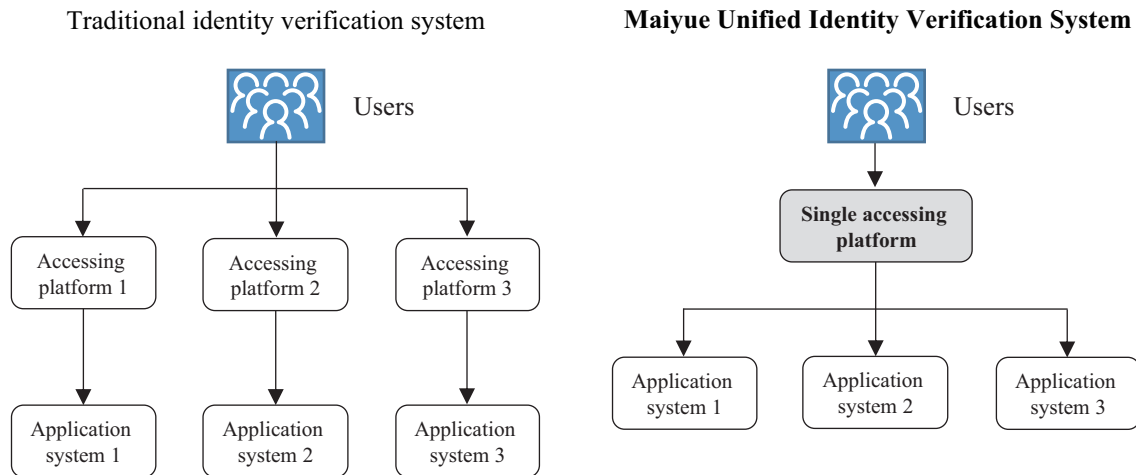
Data collection	It collects the user and group data of different application systems. User data of different application systems will be shared to facilitate unified management.
Data management	It includes user management, group management, application system management, and login management.  User management involves managing user data such as user name, gender and age in different application systems in a single location to avoid duplication.  Group management involves managing group data such as user groups and the relationship thereof in different application systems and the assignment of users into different user groups in a single location to avoid duplication.  Application system management involves distribution of user identities and passwords to different application systems and setting of access permissions in different application systems.  Login management allows management of the organisation to search and access historical records such as login time, person and access rights of different application systems, which provide basis for future statistics.
Application system connection	It provides identity verification function to application systems. Application systems can develop their respective programs and connect with the unified identity verification system.
Verification management	It allows users to use a single login interface to access to different application systems and switch to the other application systems without repeating logins.

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The following sets out diagrams illustrating the function of our unified identity verification system as compared to the traditional identity verification system:



The system offers benefits to both organisations and end users. Organisations can reduce their cost on IT infrastructure construction as the system provides a standardised accessing platform for different application systems, which can in turn avoid the needs of setting up separate accessing platforms for each application system. It also improves the working efficiency of the organisation by providing a centralised system for managing user identities of different application platforms within the organisation. It also enhances the overall IT security across the organisation, where the centralised management system for all application platforms allows the organisations to monitor and manage all user actions in a single location. End users can also enjoy the benefit of the system by accessing to different application systems without repeating logins, which in turn enhance their work efficiency.

For example, with the traditional identity verification system, the user who is a principal of a school may need to create multiple systems such as student attendance management system, financial management system and admission management system, and memorise multiple sets of login details in order to administer the school. With the Maiyue Unified Identity Verification System, the principal would only need to create a single accessing platform and one set of login details to log into the abovementioned systems, which may enhance his overall working efficiency.

## Maiyue Data Diagnosis Platform (邁越信息化診改平台)

In recent years, the MOE issued several guidelines to education institutions of different levels to improve their respective internal control system in relation to teaching quality. In light of this, we build an internal diagnosis platform which involves elements of “*management*” and “*diagnosis*” for education institutions with an aim to assist them to improve the teaching quality and the students’ academic behaviours by way of informatisation.

In respect of management, the platform designs management models for various aspects within the education institutions such as its systems, targets, standards, plans, performances and quality reporting in order to establish a more standardised internal quality management system. The platform also collects and manages data in relation to teaching management, staff management and group management to provide the source of data for analysis on the teaching and operation of the education institutions. The following sets forth a screenshot of the platform, showing a sample of the management model for teachers:

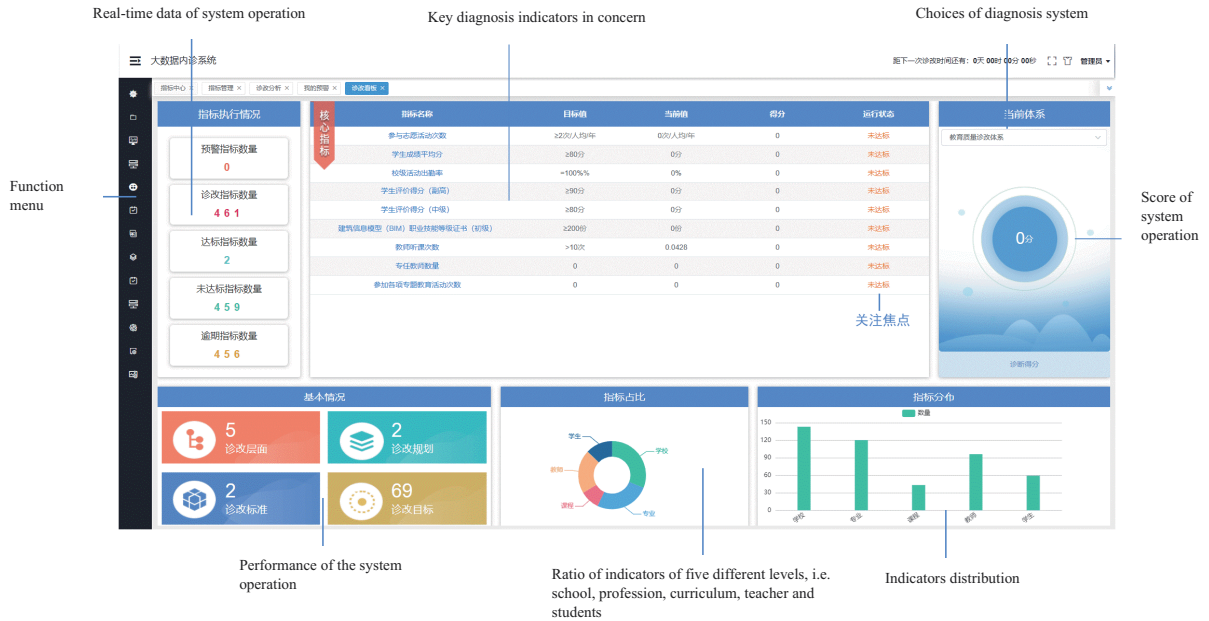
The screenshot displays the 'Large Data Internal Diagnosis System' (大数据内诊系统) interface. It features a sidebar menu on the left, a main content area with a search bar and filters, and a table listing various indicators and their execution tasks. Annotations identify key components of the interface:

- Function menu:** Located on the left sidebar, containing options like 'Write Files', 'Data Visualization', 'Data Analysis', 'System Management', 'Target Management', 'Standard Management', 'Indicator Management', 'Quality Reporting Dashboard', 'Work Quantification Examination', 'Data Collection', and 'Data Management'.
- Dimension of diagnosis system:** Points to the top navigation bar with tabs for 'Indicator Management', 'Target Management', 'Standard Management', 'Plan Management', 'Performance Management', and 'Quality Reporting'.
- List of indicators:** Points to the search and filter area above the table.
- Classifier of indicators:** Points to the 'Indicator Name' column in the table.
- Execution period:** Points to the 'Start Time' and 'End Time' columns in the table.
- Operational area:** Points to the top right of the table, including buttons for '+ Add', 'Refresh', and 'Personnel Management'.
- Modification of indicators:** Points to the 'Edit' and 'Delete' icons in the 'Action' column.
- Operational check of indicators:** Points to the 'Edit' and 'Delete' icons in the 'Action' column.

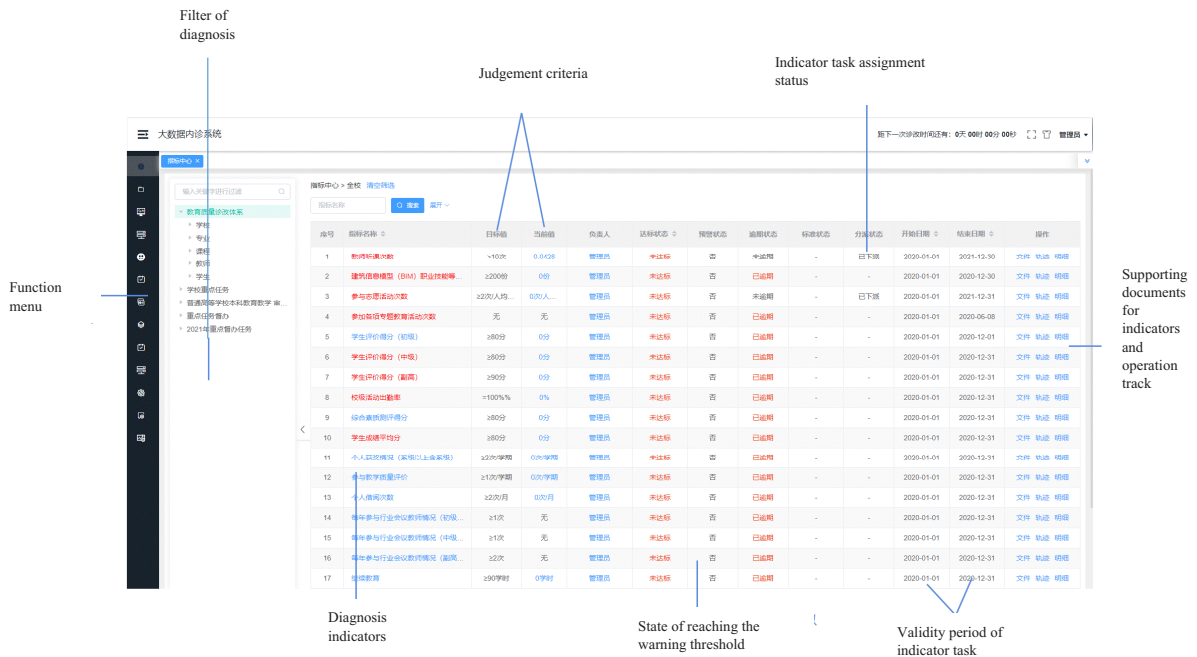
Indicator ID	Indicator Name	Indicator Score	Main Indicator	Responsible Person	Start Time	End Time	Current Score/Total Score	Action
1	教师教学次数	1+证书...	教师	管理员	2020-01-01	2021-12-30	5/6	编辑 校验
1	建设精品课程(BIM)	1+证书...	教务处	管理员	2020-01-01	2020-12-30	4/6	编辑 校验
1	参加竞赛活动次数	无	教务处	管理员	2020-01-01	2021-12-31	2/6	编辑 校验
1	参加教学竞赛教育活动	无	教务处	管理员	2020-01-01	2020-06-06	1/6	编辑 校验
1	学生评价得分(校级)	无	部门领导01	管理员	2020-01-01	2020-12-01	2/6	编辑 校验
1	学生评价得分(中级)	无	部门领导01	管理员	2020-01-01	2020-12-31	2/6	编辑 校验
1	学生评价得分(高级)	无	部门领导01	管理员	2020-01-01	2020-12-31	2/6	编辑 校验
1	校级活动出勤率	无	教务处	管理员	2020-01-01	2020-12-31	2/6	编辑 校验
1	综合教师评价得分	无	教务处	管理员	2020-01-01	2020-12-31	2/6	编辑 校验
1	学生满意度平均分	无	教务处	管理员	2020-01-01	2020-12-31	2/6	编辑 校验
1	个人获奖情况(国家级)	无	教务处	管理员	2020-01-01	2020-12-31	2/6	编辑 校验
1	参与教学成果评价	无	教务处	管理员	2020-01-01	2020-12-31	2/6	编辑 校验
1	个人教学次数	无	教务处	管理员	2020-01-01	2020-12-31	2/6	编辑 校验
1	每年参加行业会议教师	无	教务处	管理员	2020-01-01	2020-12-31	2/6	编辑 校验
1	每年参加行业会议教师	无	教务处	管理员	2020-01-01	2020-12-31	2/6	编辑 校验

# BUSINESS

In respect of diagnosis, the platform utilises big data analytic technology to analyse teaching quality and students' academic behaviours and provide report on the teaching and operation for the education institutions and their teachers. The following sets forth a screenshot of the platform, showing a sample of the report on teaching quality:



The platform also provides rectification plans for education institutions and their teachers to improve their teaching quality and monitor the progress thereof. The following sets forth a screenshot of the platform, showing a sample of the rectification plan:



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## BUSINESS

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The platform can be used on its own or with support by other application systems, particularly our other self-developed products. For instance, data centres such as our Maiyue Data Centre Platform (邁越數據中心平台) can provide more sources of data in addition to those collected under the data diagnosis platform and thus allow a more comprehensive analysis, while data visualisation platforms such as our Maiyue Data Visualisation Platform (邁越數據可視化平台) can produce reports or summaries of different types which may increase the value of the analysis.

The platform offers benefits to the education institutions by (i) improving the teaching quality through alerting teachers their weaknesses and directing the rectification thereof; (ii) enhancing the general performance of the education institutions through providing timely diagnosis; and (iii) providing various types of indicators for the education institutions to cater for their specific needs when evaluating the quality of teaching and operation. For example, if the system reveals that the academic performance of a particular class is not as good as the other classes, the management of the education institutions may investigate the source of problem by looking at the reports and evaluating the performance of the class teacher, e.g. the management may understand from the reports which indicators were not satisfied so that they can understand how the performance of the class teachers can be improved, such as asking the class teachers to reconsider the curriculum in order to allow students to better understand concepts in class. They are also able to set targets for the teachers such as increasing the average class mark of a particular subject through the system and monitor the performance of the class thereafter through the system.

Maiyue Big Data Analysis Platform (邁越大數據分析平台)

We design a digitalised solution which provides data mining capabilities for organisations. Through the use of big data analytics related technology, the system provides management of various types of data and applications to facilitate their decision-making processes.

In particular, the platform provides information on the school's human and financial resources to facilitate the allocation of school resources and the decision-making process of the management of education institutions. The screenshot of the sample report on the school's human and financial resources is as follows:



The platform provides an identification mechanism designed for the management of the education institutions to have more understanding towards the students' learning and social life, and in turn allow them to make early intervention in relation to abnormal student groups. In particular, the management of education institutions may review the book borrowing records of the students through the platform, which in turn reveal the students' hobbies. If the borrowing records show any signs that a student is developing unhealthy or dangerous hobbies, the teacher can intervene and educate the student in advance. The following sets forth a screenshot of the platform, showing a sample of predictive and early warning model:

List of student estimated to fail in the examinations

Displaying various types of factors leading students to failure in examinations

Determining factors leading students to failure in examinations

Displaying the details of each type of factor leading students to failure in examinations

当前位置: 预警中心 > 学生挂科预警 > 挂科因素说明

挂科预测, 主要通过对学生基本数据、课表数据、学生成绩数据、一卡通刷卡记录 -- 出入宿舍、食堂消费等数据, 通过关联规则和分类算法等, 建模预测每个学生的挂科概率和课程挂科概率, 以下内容为影响学生挂科的因素及相关说明

因素名称	整体影响	说明
课程总挂科率	0.19998	根据以往历史, 学生当期报考试科目中, 所有科目的挂科概率和
课程挂科相关性最大值	0.14525	学生以往考试中, 挂科课程可能会引起当期考试课程中挂科的最高概率值 (根据往期历史, 某些课程挂科引起另一课程挂科的概率)
课程挂科总相关性	0.1105	学生以往考试中, 挂科课程可能会引起当期考试课程中挂科的总的概率值 (根据往期历史, 某些课程挂科引起另一课程挂科的概率)
性别	0.05837	学生的性别
课程低分总相关性	0.05157	学生以往考试中, 低分课程可能会引起当期考试课程中低分的总的概率值 (根据往期历史, 某些课程低分引起另一课程低分的概率)
课程挂科率最大值	0.04402	根据以往历史, 学生当期报考试科目中, 具有最大的挂科概率值
上学期班级排名	0.04062	上一学期, 学生考试的班级排名
是否国际学生	0.04023	学生是否是国际学生
课程低分相关性最大值	0.03022	学生以往考试中, 低分课程可能会引起当期考试课程中低分的最高概率值 (根据往期历史, 某些课程低分引起另一课程低分的概率)
上学期低分数量	0.02331	在上一学期考试中, 低分科目的数量 (70分以下为低分)
上学期课程平均成绩	0.02021	上一学期科考中, 学生的平均成绩
课程低分挂科最高相关性	0.01947	学生以往考试中, 低分课程可能会引起当期考试课程中挂科的最大概率值 (根据往期历史, 某些课程低分引起另一课程挂科的概率)
学院学生挂科概率	0.01894	往期历史中, 学生所属学院中, 学生的挂科概率



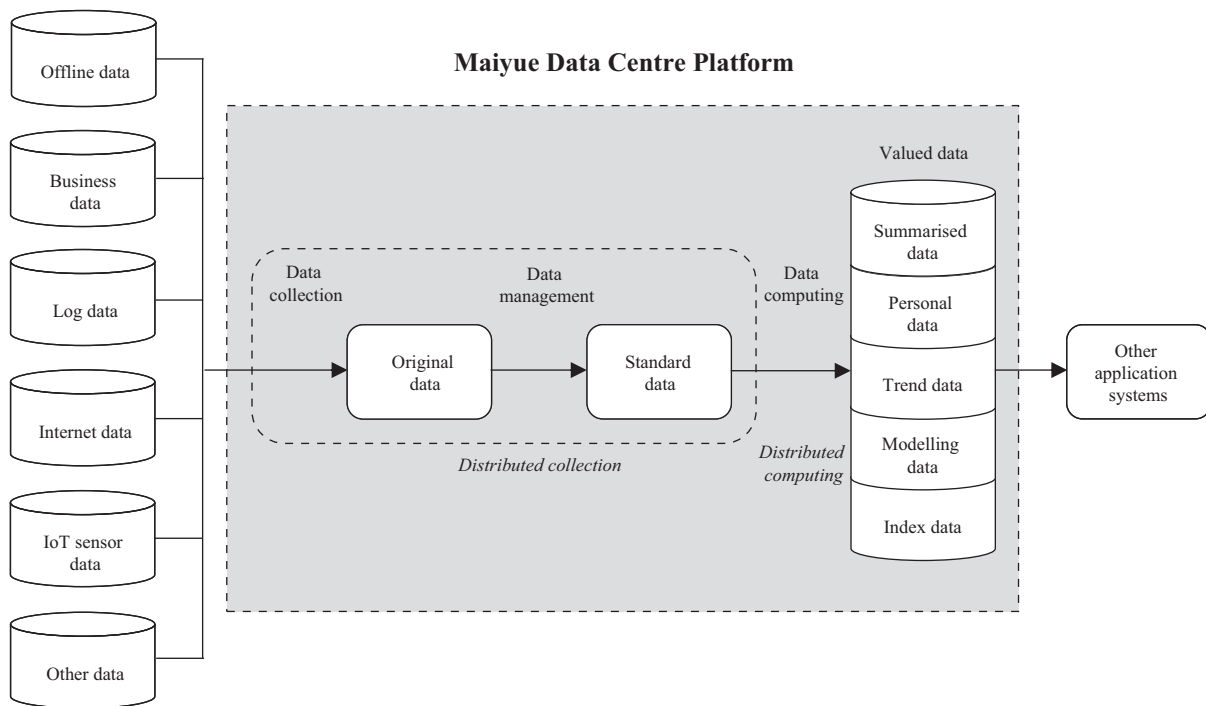
# BUSINESS

With the support of data, the platform also illustrates the advantages and disadvantages of different module selection and talent recruitment, and serves as a support to evaluate and improve teaching quality. The following sets forth a screenshot of the platform, showing a sample of report on the analysis of teaching quality:



Maiyue Data Centre Platform (邁越數據中心平台)

We build a data centre platform to collect, process and analyse all the data of the organisation, including offline data and data from existing IT system, and optimise the value of data by addressing the inconsistency of data from different sources. For example, without the data centre platform, the records of students in an education institution under various systems might be inconsistent as the systems are not able to synchronise with each other upon update of any of the systems. By implementing the data centre platform, the data in various systems will be changed simultaneously and all departments can see the updated records of students instantly, and allow real-time information exchange among different departments. The following sets out a diagram illustrating how our Maiyue Data Centre Platform functions:



In particular, we use distributed collection and distributed computing to obtain and perform analysis, classification and summary of massive data stored in the organisation to meet analysis needs of our customers. Distributed collection and distributed computing enable organisations to allocate tasks among multiple computers using dispersed physical resources through the computer network to improve operational efficiency and achieve information exchange. By utilising distributed computing technology, the platform is able to efficiently collect and analyse data, receive results such as discovering behaviour patterns of customers, and obtain predictive analytics results. The output generated from data collection and analysis will provide a basis for further analysis in other application systems.

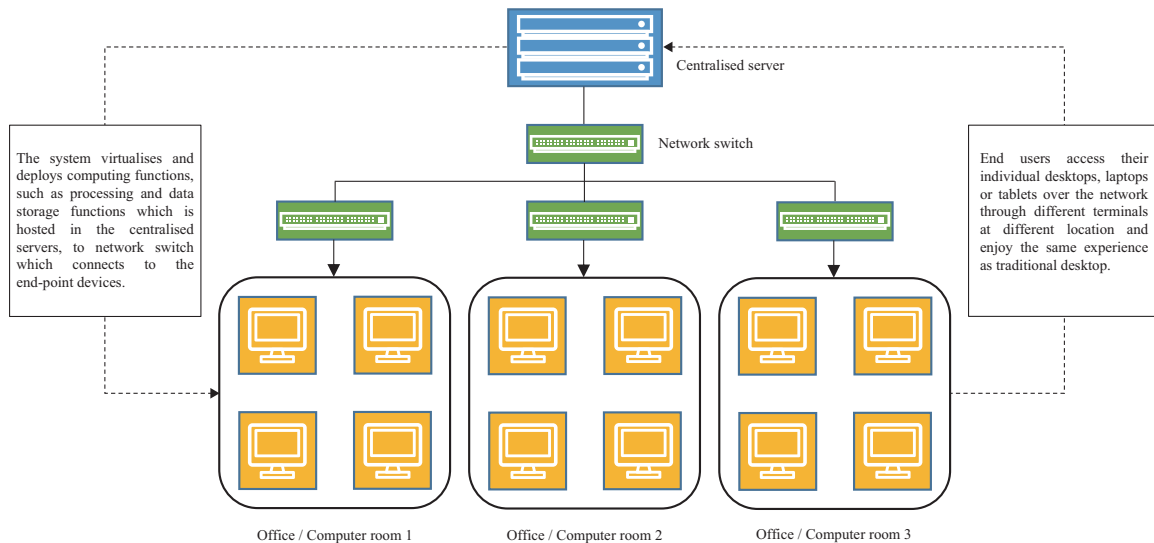
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## BUSINESS

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### Chuangpeng Cloud Desktop Virtualisation System (創鵬雲桌面虛擬化系統)

By utilising cloud computing technology, we use centralised servers to provide and manage virtual desktops. The system hosts desktop environments on centralised servers and deploys them to end users who can access the computers set up across various locations in the organisation. The following sets out a diagram illustrating how our Chuangpeng Cloud Desktop Virtualisation System functions:



The system has compatibility supporting deployment on public cloud, private cloud or hybrid cloud and offers versatility for organisations to choose based on their specific circumstances and needs. The system is also compatible with various domestic hardware and allows for customisation. The system has been certified by various local manufacturers to be compatible with the servers and operating systems produced by them.

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The system offers several benefits to the organisations. As all data are stored and processed in the centralised server, the chance of data leakage due to any loss of a terminal is slim. With the system in place, the organisation can set up standardised desktop configurations for different groups in the organisation easier. Therefore, security and configuration management can be improved.

On the other hand, as the computing and processing take place in the host servers, rather than in the terminals, the hardware requirements for the terminals are lower. This may potentially reduce the need of distributing, installing and maintaining traditional desktop computers for all users in the organisation and allows management and maintenance in a single location. If there is any change in the hardware requirement, it is also easier to reallocate from the server side than from the terminals. For example, system administrators may need to install software into each and every terminal manually without the system. Yet, by utilising the system, the administrators can install the software in batches under the centralised server and manage thousands of computers at the same time. In addition, with all data located on the centralised servers, the system allows easier data collection which can be used for data analysis within the organisation.

### Maiyue One-stop Web Office Automation System (邁越一站式網上辦事大廳系統)

We build an office automation platform for education institutions and government authorities, which (i) provides cross-system and cross-department office processing functions; and (ii) offers functions such as “automatic reminders”, “automatic responses” and “automatic suggestions”.

The system is designed to connect with various application scenarios and systems in the organisation, and provide end users with a range of services which can be accessed under a single application system. In particular, we utilise technologies to monitor the state of activities in a workflow, such as determining which new activity will be proceeded according to pre-defined procedures. Also, the data provided can be digitally created, collected, stored, manipulated, and relayed to different departments within the organisations. For example, a student who will be absent from lessons can fill in a form of leave for absence in the system and the data will be delivered directly to the relevant teaching staff of different departments within the university without the need of repeatedly filling in different kinds of forms and applications. As a result, the

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system improves operating efficiency for the organisation through such centralised system to which different stakeholders can log on to complete different tasks or procedures, or obtain the necessary information online. The following sets forth a screenshot of the system, showing a sample of services that the system offers to its users:

The screenshot displays a university service portal with several key features highlighted by annotations:

- Service evaluation:** Located at the top left, pointing to the '服务评价' (Service Evaluation) section.
- Automatic suggestions:** Located at the top center, pointing to the search bar and '热门服务' (Popular Services) dropdown.
- Automatic ranking of popular functions:** Located at the top right, pointing to the '热门服务' (Popular Services) dropdown menu.
- Unified access to other application systems:** Located at the top right, pointing to the '信息导航' (Information Navigation) section at the bottom.
- Quick entry:** Located at the top right, pointing to the '快速入口' (Quick Entry) sidebar on the right.

The portal interface includes the following sections:

- Announcement (公告):** A section for '一通公告' (General Announcements) and '回 政策文件' (Policy Documents), listing various university events and dates.
- 专题事项 (Special Topics):** A grid of service categories including '资助' (Scholarship), '新生' (New Students), '放假' (Vacation), and '毕业' (Graduation).
- 主题分类 (Theme Classification):** A grid of service icons for '后勤管理' (Logistics Management), '入职申请' (Job Application), '职称评定' (Title Evaluation), '离职申请' (Resignation Application), '入学教育' (Admission Education), '新生接待' (New Student Reception), and '勤工俭学' (Part-time Work).
- 服务评价 (Service Evaluation):** A dashboard showing monthly statistics: 评价次数 (Evaluation Count) 2540, 好评次数 (Good Review Count) 1840, 办理时效 (Processing Efficiency) 16.5 hours, and 办理评分 (Processing Score) 4.8.
- 信息导航 (Information Navigation):** A grid of buttons for various systems: 学工系统 (Student Work System), 人事系统 (Personnel System), OA系统 (OA System), 教务系统 (Academic System), and 学工系统 (Student Work System).

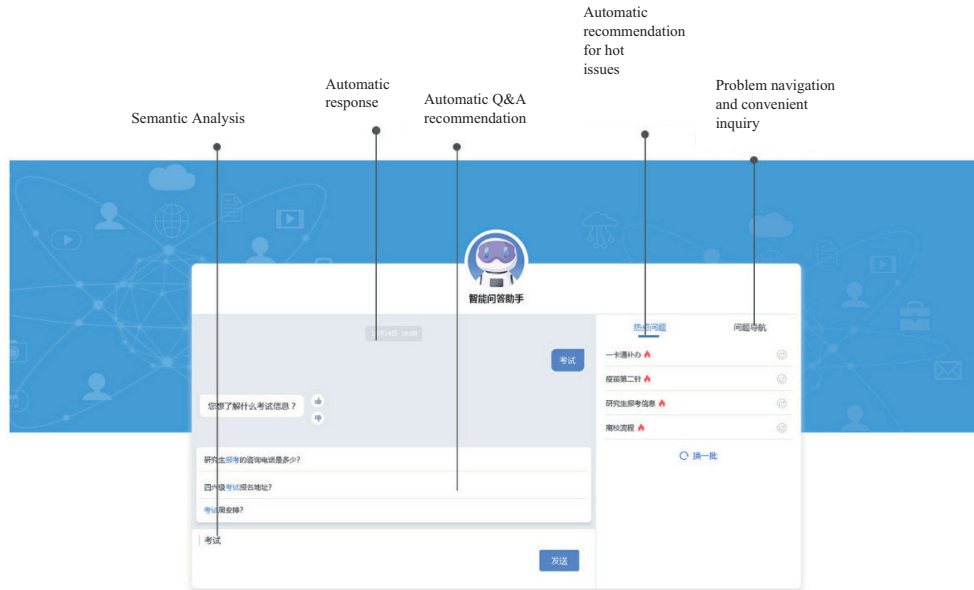
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We also apply AI technologies such as natural language processing (“NLP”) in the system, which help to create machines that work and react like humans. In particular, NLP enables software to analyse, understand and derive meanings from human languages, by resembling the way in which human comprehends texts, phrases, sentences and generative grammar. With the application of technologies in NLP for text recognition, the system builds a knowledge pool and gathers data from data centre of the organisations to program an automatic response function offering assistance to users in relation to the functions of the system. The following sets forth a screenshot of the system, showing a sample of intelligent response function:



### Maiyue Data Visualisation Platform (邁越數據可視化平台)

We apply data technologies, including data mining and accurate portrait production, to help our customers to increase the value of their data.

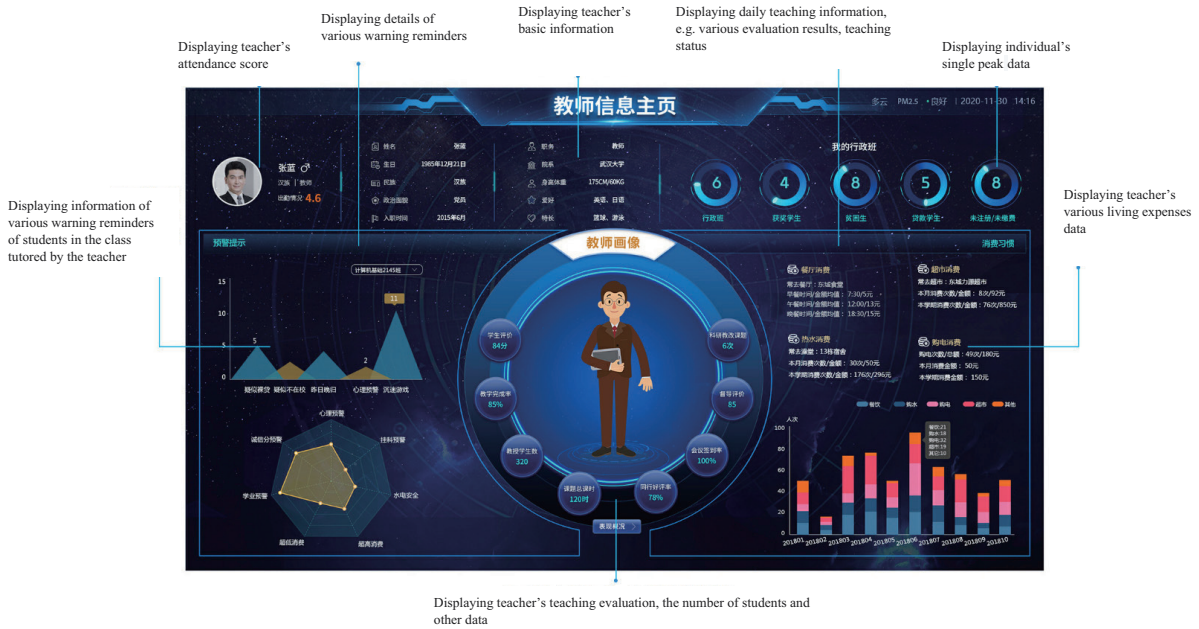
The platform first collects and stores graphic and text information from various hardware, software and application systems in the education institutions and government departments through big data analytics and AI machine learning technologies. The platform then visualises the data obtained from data analysis into graphics or images, and provide guidance for the decision-making process of end users. The technologies involved mainly include computer graphics, image processing, computer vision and computer-aided design.

The platform generates visualised data reports or summaries in a timely manner for all users. For example, by simply adopting the drag-and-drop method, the platform can create analysis table and dashboards for the student recruitment team of the education institutions and analyse the names, majors, number of students and enrolment statistics during the recruitment periods. The platform facilitates the decision-making process of different end users by offering analysis of various data in a visualised way.

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The following sets out screenshots of the system, showing the information provided to teaching staff and students, respectively:

## Teachers



## Students



### *Our landmark projects*

- *Education sector — Big Data Platform (大數據平台) in Beibu Gulf University (北部灣大學), Qinzhou City, Guangxi in 2018*

Beibu Gulf University is a tertiary institution that focuses on the fields of engineering, science and management. With the aim to improve its informatisation, the university engaged us to build a big data platform. We customised our integrated IT solutions services for the university, utilising our self-developed big data platform software, leveraging advanced technologies such as big data analytics.

Set out below are some of the application systems applied in our solution:

#### **Big data platform**

Leveraging big data analytic technology, the system provides data analysis from multiple aspects for the university, incorporates various factors such as student and faculty profiles, enrolment and employment, talent training and financial overview. The real-time analysis could be conducted and presented in visual demonstrations through the platform.

#### **Big data thematic analysis and intelligent data portrait**

The system generates portraits and profiles for the university's teachers and students through big data analysis on the teachers and students' in-school activities, including daily data from various departments and facilities, such as class attendances, library records, campus entries and exits. The portraits generated could be used for the management of the university to assess teaching quality and students' development.

#### **Intelligent warning centre**

The system notifies the university's management of warnings in case of any irregularities or abnormalities within the campus through various big data analytic algorithms. For example, the system sends notifications when academic performances of students are deteriorating or when students are absent from lectures or classes in a frequent manner.



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- *Government sector — Digitalisation and informatisation of Qingxiu District Government Service Centre (青秀政務服務中心), Nanning City, Guangxi in 2019*

Qingxiu District Government Service Centre is mainly responsible for approving and issuing various documentations, certificates and licences in Qingxiu District, Nanning City. With the view to digitalise and informatise the government service centre, the centre engaged us to offer overall customised IT solutions covering the whole centre, taking into account various factors including the characteristics and usage of the users and visitors in the centre, the existing IT infrastructure.

Set out below are some of the application systems applied in our solution:

**Automatic security system**

The system notifies the security department and relevant personnel of the centre of warnings in case of unauthorised entries, potential thefts and other emergencies through real-time monitoring and analysis. In addition, the system could recognise the involved persons through surveillance videos and shows the relevant information, including records of their visits and the identity card they registered with the centre, leveraging technology such as AI.

**Integrated guidance system**

The system provides an one-stop guidance to the visitors of the centre who are looking for services and advice by the centre, incorporating multiple functions such as information display module, multimedia user directions, self-service platform and users feedback through the terminals in the centre or WeChat portal.

**Hyper-converged data centre system**

The service includes a hyper-converged data centre system, which can address real-time query, multi-dimensional request and massive information query. The system processes and analyses big data arising from the operation of the centre.

- *Education sector — Public class learning centre (公共課學習中心) in Guangxi University in 2020*

Guangxi University is one of the largest universities in Guangxi. With the aim to improve its informatisation, the university engaged us to build a public class learning centre. It is a teaching centre for public course teaching, independent learning and paperless examination. It contains 20 classrooms and 5 meeting rooms, which can satisfy computer course teaching for more than 1,000 students at a moment.

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Set out below are some of the application systems applied in our solution:

<b>Virtualised cloud desktop classroom</b>	Leveraging cloud desktop technology, the system realises multi-media teaching, computer teaching, collaborative teaching, self-study tutoring, etc. It also allows sharing of network equipment and improves the efficiency of the use of each classroom.
<b>Teaching data analysis and management platform</b>	Leveraging big data analytic technology, the system automatically collects and summarises the big data of students' learning situation, thereby allowing teachers to specify the teaching content according to situations of different students. The system also records date of reservation and usage of classroom and equipment, through which the system can assist to improve the efficiency of teaching and learning in public courses.
<b>Cloud management platform</b>	The system provides basic teaching management services for the centre. It integrates other systems into the platform interface and unifies the operation interface and data access. It supports viewing the number of dots connected to the platform, as well as the corresponding online and offline status, which realises overall management and improves the management efficiency of managers.
<b>Intelligent security monitoring system</b>	It is a security management system using a digital high-definition monitoring system to monitor the language centre. It builds a centralised monitoring system for the centre and provides early warning and tracing of illegal intruders, smoke and fire using AI video image recognition technology.
<b>Digitalised teaching</b>	The system supports recording and live broadcasting to facilitate interaction between teachers and students. It allows discussion among different groups and teachers can join in any group for supervision and guidance. The system also collects and analyses data on the learning process.
<b>Self-learning and appointment management system</b>	Through a WeChat public account, students can check the occupancy of each classroom and meeting room, and can make reservation for a place, which shall improve the utilisation of the classrooms and meeting rooms.

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- *Education sector — Informatisation of Guangxi Modern Polytechnic College (廣西現代職業技術學院), Hechi city, Guangxi in 2021*

Guangxi Modern Polytechnic College is a higher vocational education institution which has seven colleges and 41 specialties. We provided integrated IT solutions which include information infrastructure, business management system, school-based data centre, digitalised campus system platform, big data decision-making centre, and a one-stop online platform for teachers and students. Guangxi Modern Polytechnic College has received various recognitions in relation to its informatisation. It was selected as one of the pilot units for digitalised campus construction of vocational education institutions.

Set out below are some of the highlight of our solution:

**Information-based teaching**

The ability of information-based teaching is comprehensively improved. It realises teaching concepts of vocational education and promotes teachers to fully grasp the use of the big data classroom comprehensive management system and the use of digital campus platform to complete teaching work before class, during class, and after class and at the same time complete the routine teaching tasks to achieve precise data management of the entire teaching process for each teacher and student.

**School-based data centre**

All school business system data are collected regularly or in a real time basis to a unified data centre. They are integrated into different databases for different services and applications, which provide data support for different analysis and decision-making.

**Big data decision-making centre**

Based on the school-based data centre, a decision-making centre was built in five aspects, including schools, specialties, courses, teachers, and students. The centre provides teachers with data in all five aspects and dashboards including information on various indicators corresponding to various aspects and comparison of indicators with the previous year, which shall allow teachers to make better decision making for development.

**One-stop online platform for teachers and students**

It unifies the login and portal management of various systems such as education affairs, student affairs, asset management, payment, etc. and various service applications such as business processing and early warning applications. It allows teachers and students to have a better experience of services and improves the efficiencies of them.

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- *Education sector — Virtual reality innovation laboratory (虛擬現實創新實驗中心) in Guangxi University in 2022*

The virtual reality innovation laboratory provides virtual reality teaching for the university. It provides students with a shared environment for scientific research and innovation. At the same time, it also serves teaching courses and meets teachers' needs for virtual reality environment for academic teaching and scientific research.

Set out below are some of the application systems applied in our solution:

**Virtual simulation experiment teaching management platform**

It provides virtual experimental teaching auxiliary functions, including experimental teaching arrangement, intelligent guidance of the experimental process, automatic correction of experimental results, online question answering, experimental teaching effect evaluation and other functions. It provides a virtual experimental teaching environment for various schools and carries out corresponding applications to realise resource sharing to provide strong support for rapid response to course resources.

**Virtual reality large-screen teaching system**

It adopts virtual reality three-dimensional screen module and position tracking system and virtual reality resource management software to realise resource interaction by positioning and capturing the interaction between the teachers and screens and provide innovative experience to students.

**Multi-person collaborative adaptation system**

Through the system, it is possible for multiple people to enter the same scene at the same time, so that multiple people can conduct virtual experiments at the same scene, complete the project together, and achieve multi-person collaborative training.

**Virtual reality content creation system**

Through this system, students can constantly inspect, optimise and adjust the creative works during the creation process and continuously improve the ability of innovation. Works that meet the requirements can also be uploaded to the teaching resource library as well as the resource management platform for display and sharing, which can be used as an external display.

**Virtual and real mixed video shooting system**

Through real-time green screen, wireless image transmission system, face and hand capture system and other auxiliary equipment, video is shot and the picture is integrated with the virtual scene in real time to realise mixed video shooting teaching.

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### **Sale of hardware and/or software**

Other than the sourcing of hardware and/or software during the provision of integrated IT solutions services, upon requests of our customers, we occasionally source and procure hardware and/or software for our customers from our suppliers or sell our self-developed software to our customers on a standalone basis. Leveraging our experience in the provision of integrated IT solutions services and our understanding in the features of different hardware and software, we may advise our customers on the selection of hardware and software, based on their existing IT infrastructure and system specifications and requirements. We may also provide ancillary installation services of hardware and/or software sold upon requests. Our sales of hardware and/or software were typically completed within 60 days upon signing of contracts or receipt of purchase orders. The typical IT hardware and software products we sold during the Track Record Period included (i) computers and accessories, servers and network switches and (ii) software for training, data collection and analytics, data storage and network access management. For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, our sales of hardware and/or software accounted for 5.9%, 13.3%, 16.8% and 33.8% of our total revenue, respectively.

### **Standalone IT services**

Our customers may engage us for standalone IT services after the end of the engagement of our integrated IT solutions services and the warranty periods thereof or separately to optimise system performance and identify and resolve errors and defects. Our standalone IT services generally involve the provision of maintenance and/or support services on our customers' IT systems based on customers' needs, including entering into warranty contracts and provision of other information technology services such as system upgrade, technical service and maintenance service, software installation, data migration and technology consulting service. Depending on the nature of the services, the typical duration of warranty projects is one year, while other information technology services generally last for 10 days to two months.

We generally provide standalone IT services at a lump sum fixed price, taking into account the cost associated with our services. Depending on the nature of the services, revenue from warranty contracts is recognised over the term of the warranty (i.e. over time), while revenue from other information technology services is recognised when the relevant service is accepted by the customers (i.e. at a point in time). For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, our provision of standalone IT services accounted for 2.6%, 2.8%, 1.6% and 8.6% of our total revenue, respectively.

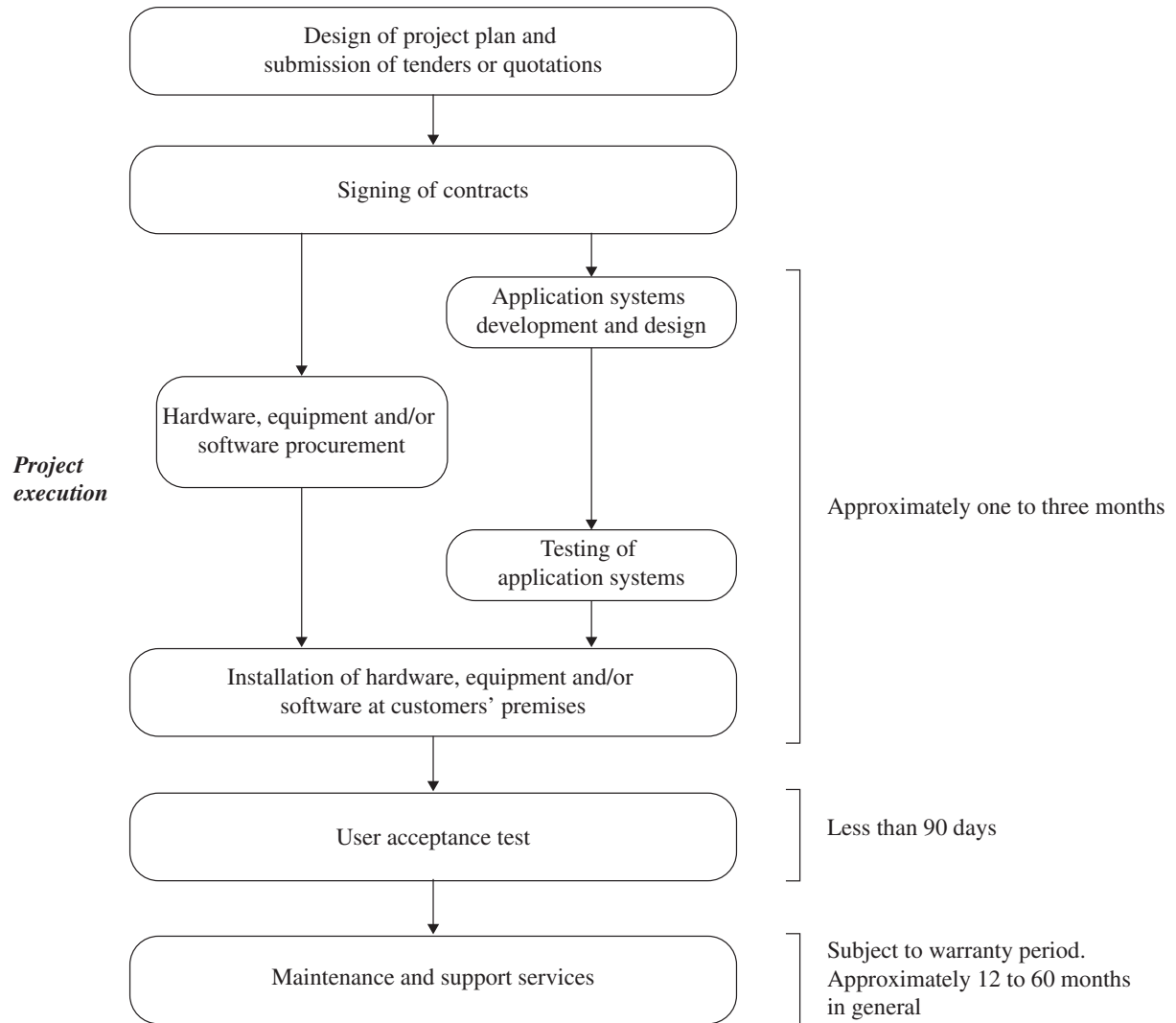
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## OUR OPERATION

The following diagram illustrates the typical work flow and duration in relation to the provision of integrated IT solutions services on project basis:



### Identification of business opportunities

During the Track Record Period, we secured our projects through tendering, quotations or direct engagement. We generally identify tender opportunities from websites of our potential customers or their agents.

### **Project review**

Once we identify a potential project, we will perform technical and financial assessment and preliminarily analyse on the specifications and requirements of the projects and commence preliminary work such as considering the relevant hardware and/or software to be procured, suppliers to be lined up with, the estimated time required and the availability of our workforce. When considering whether to bid for a potential tender, we will make preliminary assessment with reference to factors including (i) profitability, taking into account including the size of project and associated costs; (ii) the feasibility of undertaking such project with reference to the specifications, our capacity and expertise, our available labour and financial resources; (iii) expected time frame of the project; (iv) location to undertake the project; and (v) expected competition from other market players (if any). If we consider that a project is commercially viable, we will prepare a project plan and tender proposal.

### **Design of project plan and submission of tenders or quotations**

If we consider that a project is commercially viable, we will proceed to prepare a project plan. The project plan will include details relating to the design and implementation of the integrated IT solutions, such as (i) the scope of works; (ii) the implementation methods and procedures; (iii) the expected outcome; (iv) manpower planning; (v) allocation of work duties; and (vi) quality standards and control. We will present the project plan and submit the tender proposal or quotation to our customers or their agents. See “— Sales and Marketing — Tendering” for further details.

### **Signing of contracts**

If our tender proposals are accepted, our potential customers or their agents will generally issue a letter of award. To formalise the award of contract, we will enter into formal contract with the customers.

### **Hardware and/or software procurement**

If hardware and/or software procurement is needed, we will select suitable suppliers and hardware and/or software according to our customers’ specifications. To maintain flexibility in supplier selection, we have not signed any long-term supply agreement for supply of hardware, equipment or software with any suppliers. Upon entering into contract with our customers, we generally place corresponding purchase orders or enter procurement contracts with our suppliers. We conduct quality inspection and test on the hardware, equipment and software provided by our suppliers and would require our suppliers to rectify any defects or arrange product returns. See “— Our Suppliers” for further details of our suppliers.

### **Application systems product development and design**

During the stage of software product development and design, our technical team will consider whether our existing software products can satisfy the needs of our customers. We may need to modify our existing software products by adding new features or updating the interface to satisfy the distinct needs of our customers. If necessary, we will need to develop new application systems product in accordance with our customers' needs and specifications as stated in the contracts.

### **Testing of application systems**

Our newly developed or updated application systems are subject to several quality tests performed by our technical team, before delivery to our customers. If our application systems fail to pass our quality assurance tests, modification and improvement procedures such as bug fixing will be implemented by our technical team until the systems pass the tests.

### **Installation of hardware, equipment and/or software at customers' premises**

Based on the analysis conducted, our project management team finalises the project plan for our customers' approval, containing details of the key tasks and milestones for the project, including the allocated resources for each milestone of the project.

We generally provide our customers with the project plan before delivery of our products to enable our customers to plan and prepare in advance. Upon delivery of the products procured, our project management team will then undergo configuration, customisation and integration of the new and existing hardware and/or software in accordance with the project plan.

Occasionally, we may engage suppliers to provide certain IT and supporting services, such as fitting out services. See “— Our Suppliers” for further details of the arrangement with our suppliers.

### **User acceptance test**

Our technical team will conduct user acceptance tests together with our customers upon completion of the installation of the hardware, equipment and/or software according to their specifications to ensure that their requirements are met and our services are properly delivered to our customers' satisfaction. During user acceptance testing, our customers will test our solutions to determine whether it can handle the required tasks according to the specifications under the contract. If any defect or problem is identified during the tests, we will provide support and fix the defect. The user acceptance tests may need to be performed for multiple times until the solutions



pass the tests. The user acceptance tests ensure that the solutions work for our customers to their satisfaction. Some of our customers will issue a user's acceptance report or other form of project completion document after our passing of the user acceptance test.

### **Maintenance and support services**

In order to provide customer-oriented integrated IT solutions services, not only have we delivered one-stop customised services of high quality, we have also provided a wide range of customer services, such as technical support and maintenance services, to our customers within the warranty period ranged from 12 months to 60 months. In particular, we provide remote and on-site technical support and hardware and software repairs and maintenance services in case of any hardware and software defect. If our customers encounter any problem with our solutions delivered, they can contact us at our hotline or by other electronic means, and our technical team will answer their problems. We may also investigate the problems through remote access to our customers' IT systems. If such problem cannot be resolved remotely, we may provide on-site support. The hardware and software that we installed for our customers generally comes with original product warranties offered by our suppliers or the hardware manufacturers or the software developers. If we identify that a fault is attributable to our supplier's products, we will notify our supplier for repair or replacement of the defective hardware or software. We also offer system upgrade or adjustment services from time to time during the warranty period. After the expiry of the warranty period, our customers may continue to engage us for standalone IT services to optimise system performance and identify and resolve errors and defects. See "— Our Services — Standalone IT Services" for further details. We believe that our customers can rely on us to fulfil their needs for a full spectrum of value-added integrated IT solutions services, ranging from the design of integrated IT solutions accommodating the specific requirements of our customers to the subsequent supporting services, so that they would be able to achieve greater efficiency in the allocation of their IT-related budgets and resources, which will in turn help to increase customer loyalty and stickiness.

### **Seasonality**

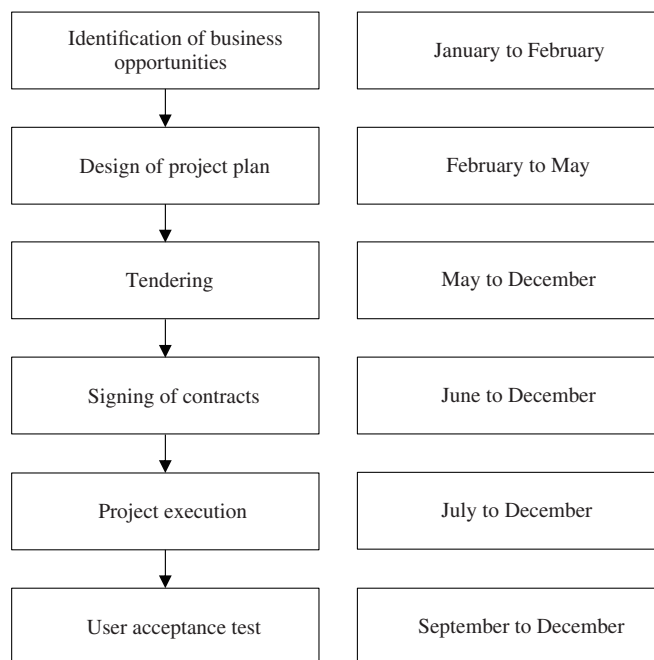
We experience seasonal fluctuations in our operation. During the Track Record Period, our customers were mainly education institutions, and many of which were primarily financed by government funds. These customers usually adopt a pre-approval management system and centralised procurement system, with annual budget and procurement plan formulated and design of tendering scheme carried out at the beginning of each year, followed by tendering process starting from the second quarter of the year. For integrated IT solutions services provided to education institutions, as our project executions generally involving installation of hardware and data transfer in various campuses may disrupt the normal operation of the education institutions, project execution generally starts around the summer breaks of education institutions in the third

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quarter of the year to minimise such disruption and our projects are normally completed within approximately one to three month(s). After the project execution are completed, user acceptance tests are carried out and normally completed in the fourth quarter of the year. The following chart sets out the general timeline of our key processes:



Since a majority of our revenue derived from integrated IT solutions services is recognised upon the user acceptance tests are passed and a majority of our revenue was derived from integrated IT solutions services during the Track Record Period, a majority of our revenue is recognised during the fourth quarter of the year. For the years ended 31 December 2020, 2021 and 2022, 57.0%, 58.0% and 56.3% of our total revenue was recognised during the fourth quarter of the year, respectively. According to the F&S Report, such seasonal fluctuations are in line with the market practice in the education IT solutions markets and it is not uncommon for market players in the PRC of similar business nature to recognise more of their revenue in the fourth quarter of the year.

As a result of such seasonality effect, given that a substantial number of projects would normally be completed in the fourth quarter of the preceding year, while the projects for the upcoming year would normally be awarded in the second half of the year, the outstanding contract value of our integrated IT solutions services projects as at 30 April is relatively smaller as compared with the total revenue to be recognised throughout the year.

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Our cash flow was also affected by such seasonality effect during the Track Record Period. We generally receive payment from customers after user acceptance tests of the projects and incur cash payment upfront throughout project execution, such as for the procurement of hardware, equipment and software, service costs for IT and supporting services and staff costs. As project execution starts from the third quarter of the year and the user acceptance tests are carried out in the fourth quarter of the corresponding year, we normally record net cash outflow from operating activities during the first three quarters of the year. For the four months ended 30 April 2022 and 2023, we had net cash outflow from operating activities of RMB24.4 million and RMB31.6 million, respectively.

Our Directors are also of the view that the substantially larger trade receivables turnover days for the four months ended 30 April 2023 was largely affected by seasonality effect, as the amount of revenue recognised for the first four months is insignificant as compared with the full year.

Accordingly, various aspects of our results of operations, including revenue, trade receivables, working capital and operating cashflow, are exposed to the seasonal fluctuations in demand for our services. See “Risk factors — Our business operations may be affected by seasonality” in this prospectus for details of the risks associated with the seasonality effect.

### **RESEARCH AND DEVELOPMENT**

In view of the rapid technological development, we strive to provide high quality integrated IT solutions services with our research and development capabilities. We place focus on our research and development as a means of enhancing the variety and functions of our product offerings to complement our integrated IT solutions, which in turn will enhance our competitiveness. We also focus on the sustainability and reliability of our products by utilising various research results throughout our research and development process.

#### **Research staff and facilities**

We have a research and development team comprising over 80 members as at 30 April 2023. Our research and development team was led by Mr. Zhang, our executive Director and director of technology, who has more than ten years of experience in the IT industry. Our team comprised various positions with a wide range of functions, such as senior engineers, algorithm engineers, product managers, front-end development engineers, testing engineers, implementation engineers and operation and maintenance engineers, who generally possess relevant academic, professional qualifications and/or working experience. As at 30 April 2023, over 90% of our research and development personnel held diploma, bachelor and/or master degree.

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We have two research and development centres located in Nanning and Chengdu, respectively. We selected Chengdu as another location of our research and development centre as our Directors consider that it is a rising technology hub in the PRC with a number of IT talents, which is also supported by the F&S Report. The following table sets out details of our research and development centres:

<b>Location</b> .....	<b>Nanning, Guangxi</b>	<b>Chengdu, Sichuan province</b>
<b>Date of establishment</b> .....	July 2015	June 2018
<b>Number of research and development team members as at 30 April 2023</b> .....	42	45
<b>Main focus</b> .....	Designing the interfaces and production of application systems, incorporating the technologies developed by Chengdu centre, in order to accommodate the business needs of customers	Researching the application of advanced technologies (e.g. big data, AI, etc.), such as developing the relevant algorithm

Going forward, we intend to strengthen our research and development capabilities by expanding our existing research and development team and setting up an additional research and development centre in Shenzhen. In particular, we believe that setting up a research and development centre in Shenzhen can provide us with the cutting-edge research and development capabilities and, at the same time, further enhance our corporate image and market reputation as having an additional research and development centre in one of the top cities in the IT industry in the PRC would demonstrate to our customers our devotion and effort in strengthening our research and development capability. In this connection, while we plan to remain the focus of our existing research and development centres in Nanning and Chengdu for development of application systems and development of products with the application of big data analytic and AI technologies, we intend to designate the new research and development centre in Shenzhen to focus on the development of cloud computing related products. In particular, we will explore the possibility of developing our cloud platform to provide different kinds of cloud services to our customers and/or its end users, such as cloud services management platform, documents sharing, cloud storage, and data migration. We believe that we can also leverage the proximity with many top market players in the industry in Shenzhen, including hardware and/or software suppliers, and have closer

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interaction and communication with them which shall in turn facilitate our development of cloud computing related products. See “— Our Business Strategies — Strengthen our research and development capabilities” above for further details.

### **Our investment in research and development**

For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, our research and development expenditure amounted to RMB11.8 million, RMB14.0 million, RMB14.5 million and RMB4.6 million, respectively, which were mainly composed of the purchase of software, staff costs, project development expenses and depreciation. See “Financial Information — Description of Selected Items in Consolidated Statements of Profit or Loss and Other Comprehensive Income — Research and development expenses” and Note 12 in the Accountants’ Report in Appendix I to this prospectus for further details.

### **Our research results**

Our continuous research and development efforts have led to the following results:

- (i) the recognition of our subsidiaries, Nanning Maiyue and Guangxi Silunjie as a “High and New Technology Enterprise (高新技術企業)” by the relevant PRC government authorities in November 2016 (renewed in October 2022) and November 2019, respectively;
- (ii) a number of awards and recognitions received at both regional and national levels, including:

#### *National level*

- our “Maiyue Big Data Digitalised Campus Platform (邁越大數據智慧校園平台)” was selected into the list of 2022 pilot demonstration projects for the development of the big data industry (2022年大數據產業發展試點示範項目名單) in August 2022 by the MIIT and ranked first among 59 national enterprises selected under the category of “Service Industry Big Data Applications (服務業大數據應用)”. According to the F&S Report, the pilot demonstration projects are measured with various criteria and are selected from enterprises national wide. This national award provides a list of pilot demonstration projects for other enterprises to learn from in the big data industry. Only five enterprises from Guangxi were selected into this list and the Group was the only enterprise that focuses on the education IT solutions market;

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- Nanning Maiyue was awarded the “National Intellectual Property Advantage Enterprise (國家知識產權優勢企業)” by the China National Intellectual Property Administration in September 2022. According to the F&S Report, “National Intellectual Property Advantage Enterprise” is one of the highest honours in the field of intellectual property management in the PRC and it is designated to honour those enterprises that have great capability of operation and have great influence on specific regions and industries. In the year of 2022, 100 enterprises from Guangxi received this award, among which only 10 of them were principally engaged in providing IT solutions services;

### *Regional level*

- Nanning Maiyue was awarded the certification of “Guangxi Zhuang Autonomous Region Industry-Education Integration Pilot Enterprise (廣西壯族自治區產教融合型試點企業)” in December 2021, and will enjoy the benefit of incentive policies such as financing and reduction in tax;
- Nanning Maiyue was recognised as a “High-quality, Developed, and Technologically Advanced” small and medium-sized enterprise (“專精特新”中小企業) in November 2021;
- Nanning Maiyue was recognised as Guangxi Zhuang Autonomous Region Enterprise Technology Centre (廣西壯族自治區企業技術中心) in November 2018 and Nanning Recognised Enterprise Technology Centre (南寧市認定企業技術中心) in November 2017; and
- Nanning Maiyue was awarded the “Nanning Service Industry Leading Enterprise (南寧市服務業龍頭企業)” in July 2022. According to the F&S Report, this award is recognised by the Guangxi government and is designated to promote leading enterprises in terms of the scale of revenue and scale. The Group was one out of the seven enterprises involved in IT solutions services that received such award;

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- (iii) a number of subsidies received in recognition of our research and development capability, including:
- “Maiyue Office Automation Platform (邁越辦事大廳平台)” was awarded a subsidy of RMB0.5 million under the 2022 subsidy scheme of Kunpeng Ecological Innovation Center (鯤鵬生態創新中心) in August 2022;
  - “Digitalised Campus Integrated Application Platform (智慧校園一體化應用平台)” was awarded a subsidy of RMB0.5 million under the 2022 subsidy scheme for information technology and related projects jointly organised by the Guangxi Zhuang Autonomous Region Department of Industry and Information Technology (廣西壯族自治區工業和信息化廳) and the Guangxi Zhuang Autonomous Region Finance Department (廣西壯族自治區財政廳) in April 2022;
  - “Maiyue Data Centre Platform System (邁越數據中台系統)” was awarded a subsidy of RMB1.5 million under the 2021 subsidy scheme of Kunpeng Ecological Innovation Center (鯤鵬生態創新中心) in August 2021;
  - “Chuangpeng Cloud Desktop Virtualisation System Research and Development Application (創鵬雲桌面虛擬化系統研發及國產化適配應用)” was awarded a subsidy of RMB0.5 million under the “Yongjiang Plan Project (邕江計劃項目)” in August 2022;
  - Nanning Maiyue was awarded a subsidy of RMB1.0 million under the “Nanning Scientific Research and Technological Development Plan Major Project (南寧市科學研究與技術開發計劃重大項目)” in July 2021;
  - Nanning Maiyue was awarded a subsidy of RMB1.5 million under the “2019 Autonomous Region Investment Scheme for Development of Service Industry Enterprises (2019年自治區服務業發展專項資金投資計劃)” in May 2019; and
- (iv) a number of patented technological know-hows. As at the Latest Practicable Date, we have obtained 84 software copyrights and 14 patents which include (i) 13 utility models patents (實用新型專利); and (ii) one invention patent (發明專利). See “— Intellectual Property” below and “Statutory and General Information — B. Further Information about our Business — 2. Intellectual property rights” in Appendix IV to this prospectus for further details.

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As a result of our continuous business development and our research and development capabilities, we have developed a comprehensive portfolio of product offerings including numbers of our self-developed products involving the application advanced technologies including big data analytics, IoT, cloud computing and AI. According to the F&S Report, we are one of the few local education IT solution services providers that have self-developed product offerings in Guangxi. See “— Our Service — Integrated IT solutions services — Our self-developed product offerings” above for further details.

### **Collaboration with tertiary and technical research institutions**

From time to time, we also collaborate with tertiary institutions to keep ourselves abreast of the latest technologies and developments within the IT solutions market. For example, we have entered into collaboration agreements with Guangxi University (廣西大學) and Nanning Normal University (南寧師範大學). Our collaboration agreement with Nanning Normal University is on five-year basis, which will expire in July 2024, while our collaboration agreement with Guangxi University is on a long-term basis, and does not stipulate a specific duration. Pursuant to the collaboration agreements, the tertiary institutions may provide technical guidance, as well as give priority to recommend talents to us, while we may provide support to the collaborative research projects. The tertiary institutions shall not disclose to any third party the business information, technical information or operating information obtained during the collaboration. Capitalising on the synergy created through such collaboration, our research and development team is able to leverage their technical know-how, which in turn enhances our ability to develop and integrate advanced technology into our services so that we can better cater to the specific needs of our customers.

### **SALES AND MARKETING**

As at 30 April 2023, our sales and marketing team comprised more than 20 members based in the PRC. They are responsible for customer relations to ensure our customers satisfied with our services and maintain effective communication channels for our existing customers to provide feedback to us. As the team works closely with our customers, our sales and marketing team will communicate with the customers to foster customer relationships, understand their needs and developments, and exchange market information. In order to explore new business opportunities, we participate in tendering of new projects and actively approach potential customers, such as participation in industry conferences. We also promote our brand by seizing opportunities to form partnerships with renowned enterprises in Guangxi. See “— Strategic Partnerships” below for further details.



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### Tendering

During the Track Record Period, we secured our projects through tendering, quotations or direct engagement. We generally face direct competition from local players in Guangxi rather than other market players on a national level in respect of tendering for local projects.

For projects of which our customers are government authorities or public schools, the tendering requirement mainly consists of the compliance with Article 22 of the Government Procurement Law of the PRC (《中華人民共和國政府採購法》), which include (i) ability to bear civil liability independently; (ii) good business credit and sound financial and accounting systems; (iii) possession of equipment and professional skills necessary for the performance of contracts; (iv) good records of paying taxes and social security funds in accordance with the law; (v) no significant breach records in operating activities within three years prior to participating in the tendering activities; and (vi) other conditions stipulated in the relevant laws and regulations. See “Regulatory Overview — IX. Other Laws and Regulations — (VI) Regulations on government procurement” for further details of Government Procurement Law of the PRC.

The following table sets out a breakdown of our revenue by projects obtaining through (i) tendering; or (ii) quotations/direct engagement for the years/period indicated:

	Years ended 31 December						Four months ended 30 April	
	2020		2021		2022		2023	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Tendering . . . . .	125,241	60.5	143,973	71.4	178,035	73.2	5,683	65.8
Quotations/direct engagement . . . . .	81,833	39.5	57,769	28.6	65,220	26.8	2,958	34.2
	<u>207,074</u>	<u>100.0</u>	<u>201,742</u>	<u>100.0</u>	<u>243,255</u>	<u>100.0</u>	<u>8,641</u>	<u>100.0</u>

For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, our revenue generated from services obtained through tendering accounted for 60.5%, 71.4%, 73.2% and 65.8% of our total revenue, respectively; and our revenue generated from services obtained through quotations or direct engagement accounted for 39.5%, 28.6%, 26.8% and 34.2% of our total revenue, respectively for the corresponding years/period. The relatively high portion of revenue contribution from quotations or direct engagement for the year ended 31 December 2020 was primarily due to the revenue contribution of RMB34.1 million by two major integrated IT solutions services projects secured through direct engagement from Shuguang Maiyue, which was an associate company of our Group at the material time during the Track Record Period. See “— Strategic partnerships — Shuguang Maiyue” for further details.

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The following table sets out our tender success rates for the years/period indicated:

	Years ended 31 December			Four months
	2020	2021	2022	ended 30 April
Number of tender submitted . . . . .	101	77	67	8
Number of projects awarded . . . . .	78	60	53	6
Tender success rate <sup>(Note)</sup> . . . . .	77.2%	77.9%	79.1%	75.0%

*Note:* Tender success rate is computed based on the number of contracts awarded (regardless of the date of award) out of the number of tenders submitted during the respective financial years.

For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, we submitted 101, 77, 67 and 8 tenders, and were awarded 78, 60, 53 and 6 projects, respectively. Our Directors consider that the decrease in the number of tender submitted for the years ended 31 December 2020, 2021 and 2022 was because we were more selective on projects for which we submitted tender, as we focused on projects of larger scale and those for which we believed to have a higher chance of winning the tender. For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, our overall tender success rate was 77.2%, 77.9%, 79.1% and 75.0% respectively. We also experienced an increase in revenue during the Track Record Period. Based on the above, our Directors consider that our overall tendering performance was satisfactory in general during the Track Record Period.

### Pricing policy

We generally determine the prices of our services and products on a cost-plus basis with reference to the following factors: (i) types of services provided; (ii) complexity of the project; (iii) prevailing market rates of similar services or products offered by our competitors; (iv) payment terms; (v) cost; and (vi) track record and relationship with our customers.

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In particular, we continuously keep ourselves abreast of changes in the prevailing market rates of similar services or products and adjust our pricing policy in a timely manner. At the beginning stage of our new services or products, we may offer a more competitive price than the prevailing market rates of similar services or products offered by our competitors in order to increase the penetration rate of our new services or products in the market. We shall keep refining and upgrading the products after receiving feedbacks from our customers and we may then adjust the price of the services or products to increase our profitability.

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, there was no loss-making project as a result of material inaccurate estimation or cost overruns.

### OUR CUSTOMERS

During the Track Record Period, we were engaged by either end users, such as education institutions and government authorities, or other IT services providers, depending on the available business opportunities at the material time. The IT services providers may (i) assign us all or part of their project works to the end users by engaging us for the provision of integrated IT solutions services; or (ii) purchase hardware and software, and standalone IT services from us. To the best knowledge of our Directors after reasonable enquiries, we were engaged by other IT services providers to procure hardware and software because (i) we have the relevant experience in and understanding of the features of different hardware and software and therefore may advise them on the selection of hardware and software; (ii) we may provide ancillary installation services of hardware and/or software; and (iii) we may provide competitive pricing based on our business relationship with the relevant suppliers. The following table sets out a breakdown of our revenue by type of customers for the years/period indicated:

	Years ended 31 December						Four months ended 30 April	
	2020		2021		2022		2023	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
End users . . . . .	118,632	57.3	99,662	49.4	188,333	77.4	5,914	68.4
IT services providers . . . . .	88,442	42.7	102,080	50.6	54,922	22.6	2,727	31.6
<b>Total . . . . .</b>	<b>207,074</b>	<b>100.0</b>	<b>201,742</b>	<b>100.0</b>	<b>243,255</b>	<b>100.0</b>	<b>8,641</b>	<b>100.0</b>

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In respect of our arrangements with IT services providers, our Directors are of the view that, which is also supported by the F&S Report that, it is not uncommon in the IT solutions market that IT services providers assign their project works, in whole or in part, to other market participants. As advised by our PRC Legal Advisers, our contracts with the IT services providers are valid, legally binding and enforceable and are in compliance with the relevant PRC laws and regulations.

During the Track Record Period, we placed strategic focus on providing services to customers in the education sector. We also leveraged our experience accumulated throughout the development and provision of integrated IT solutions services in the education sector and expanded our service coverage to the government sector. The following table sets out a breakdown of our revenue by industry sector of end users for the years/period indicated:

	Years ended 31 December						Four months ended 30 April	
	2020		2021		2022		2023	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Education . . . . .	171,558	82.8	115,340	57.2	197,667	81.3	7,245	83.8
Government . . . . .	23,907	11.5	63,832	31.6	8,998	3.7	201	2.4
Others <sup>(Note)</sup> . . . . .	11,609	5.7	22,570	11.2	36,590	15.0	1,195	13.8
<b>Total . . . . .</b>	<b>207,074</b>	<b>100.0</b>	<b>201,742</b>	<b>100.0</b>	<b>243,255</b>	<b>100.0</b>	<b>8,641</b>	<b>100.0</b>

*Note:* Others generally refer to IT services providers, corporate customers and individual customers who purchase hardware and software, or standalone IT services from us and do not specify the end users of the products or services.

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For the year ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, our five largest customers in each year/period during the Track Record Period in aggregate accounted for 53.2%, 47.3%, 53.7% and 87.4%, of our total revenue, respectively; and our largest customer in each year/period during the Track Record Period accounted for 24.4%, 23.2%, 34.4% and 51.3% of our total revenue, respectively. The following tables set out the details of our five largest customers in each year/period during the Track Record Period:

### Year ended 31 December 2020

Rank	Customer	Relationship since	Type of customer	Industry sector of end users of product/service provided by us	Major type of product/ service provided by us	Revenue generated from the customer	Percentage of revenue
						<i>RMB'000</i>	%
1	Digital Guangxi Group	2019	IT services provider	Education; Government	Integrated IT solutions services, sales of hardware, and/or software	50,449	24.4
2	Customer G	2016	End users	Education	Integrated IT solutions services	21,215	10.2
3	Customer H	2009	End users	Education	Integrated IT solutions services, sales of hardware and/or software, standalone IT services	14,338	6.9
4	Customer B	2004	End users	Education	Integrated IT solutions services, sales of hardware and/or software, standalone IT services	13,557	6.5
5	Customer I	2016	IT services provider	Education	Integrated IT solutions services	10,679	5.2
						<u>110,238</u>	<u>53.2</u>

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### Year ended 31 December 2021

Rank	Customer	Relationship since	Type of customer	Industry sector of end users of product/service provided by us	Major type of product/ service provided by us	Revenue generated from the customer	Percentage of revenue
						<i>RMB'000</i>	%
1	Digital Guangxi Group	2019	IT services provider	Government	Integrated IT solutions services, sales of hardware, and/or software	46,820	23.2
2	Customer J	2021	End users	Education	Integrated IT solutions services	15,248	7.6
3	Customer K	2021	IT services provider	Government	Integrated IT solutions services	12,982	6.4
4	Customer L	2021	End users	Education	Integrated IT solutions services	12,972	6.4
5	Customer M	2021	IT services provider	Education	Integrated IT solutions services	7,421	3.7
						<u>95,443</u>	<u>47.3</u>

### Year ended 31 December 2022

Rank	Customer	Relationship since	Type of customer	Industry sector of end users of product/service provided by us	Major type of product/ service provided by us	Revenue generated from the customer	Percentage of revenue
						<i>RMB'000</i>	%
1	Customer X	2022	End users	Education	Integrated IT solutions services	83,722	34.4
2	Customer O	2016	End users	Education	Integrated IT solutions services, sales of hardware and/or software, standalone IT services	14,567	6.0
3	Customer B	2004	End users	Education	Integrated IT solutions services, sales of hardware and/or software, standalone IT services	13,520	5.6
4	Customer P	2022	IT services provider	Others <sup>(Note)</sup>	Sales of hardware and/or software, standalone IT services	9,917	4.0
5	Customer Y	2020	IT services provider	Education	Integrated IT solutions services	8,929	3.7
						<u>130,655</u>	<u>53.7</u>

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### Four months ended 30 April 2023

Rank	Customer	Relationship since	Type of customer	Industry sector of end users of product/service provided by us	Major type of product/service provided by us	Revenue generated from the customer	Percentage of revenue
						<i>RMB'000</i>	<i>%</i>
1	Customer S	2022	End users	Education	Integrated IT solutions services	4,432	51.3
2	Customer AA	2017	IT services provider	Education	Sales of hardware and/or software	1,458	16.9
3	Customer BB	2022	End users	Others <sup>(Note)</sup>	Sales of hardware and/or software	846	9.8
4	Customer CC	2023	End users	Education	Sales of hardware and/or software	438	5.1
5	Customer DD	2021	End users	Education	Integrated IT solutions services	376	4.3
						7,550	87.4
						7,550	87.4

*Note:* Others generally refer to IT services providers, corporate customers and individual customers who purchase hardware and software, or standalone IT services from us and do not specify the end users of the products or services.

The following table sets forth the background of our major customers during the Track Record Period:

#### Customer B

A group of customers include (i) a state-owned university established in 1928 in Nanning City, Guangxi; and (ii) an institution under the university. Based on the information available on public domain and to the best knowledge of our Directors after making reasonable enquiries, the university has a total area of around 14 million sq.m. and has around 40,000 full-time students.

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Digital Guangxi Group

A group of companies include:

- (i) Digital Guangxi, a PRC state-owned company established in 2018. It is a direct wholly-owned subsidiary of a PRC investment company, the entire equity interest of which is held by the Guangxi provincial government. Based on the information available on public domain and to the best knowledge of our Directors after making reasonable enquiries, it (a) was given the strategic positioning by the Guangxi government to promote the construction of digital government, digital economy and digital society in Guangxi, through the development and application of big data analytics; (b) has more than 35 subsidiaries or associates; and (c) has a registered capital of RMB2,000.0 million, and recorded revenue of RMB94.4 million for the year ended 31 December 2019; and
- (ii) Shuguang Maiyue, our then associated company, which was held as to 51% by Digital Guangxi before becoming our non-wholly owned subsidiary on 21 April 2021.

Customer G

A state-owned higher vocational education institution established in 1978 in Hechi city, Guangxi. Based on the information available on public domain and to the best knowledge of our Directors after making reasonable enquiries, it has a total area of around 0.6 million sq.m. and has around 13,000 students.

Customer H

A state-owned university established in 1985 in Wuzhou city, Guangxi. Based on the information available on public domain and to the best knowledge of our Directors after making reasonable enquiries, it has a gross floor area of around 1.3 million sq.m. and has around 13,000 students.



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- Customer I
- A PRC company established in 2013 which principally engages in software development. Based on the information available on public domain and to the best knowledge of our Directors after making reasonable enquiries, it has a registered capital of RMB6.4 million, and it recorded revenue of RMB26.3 million and profit of RMB0.1 million for the year ended 31 December 2019.
- Customer J
- A state-owned education institution established in 2019 in Wuzhou City, Guangxi, which provide courses covering education from primary school to secondary school. This is a new customer we procured during the Track Record Period. We became acquainted with it through tendering for its project in 2021.
- Customer K
- A PRC company established in 2016 which principally engages in software development and IT services in medical fields and provision of services to government authorities. Based on the information available on public domain and to the best knowledge of our Directors after making reasonable enquiries, it has a registered capital of RMB0.1 million. This is a new customer we procured during the Track Record Period. We became acquainted with it through tendering for its project in 2021.
- Customer L
- A private higher vocational education institution established in 2004 in Nanning City, Guangxi. Based on the information available on public domain and to the best knowledge of our Directors after making reasonable enquiries, it has a total area of around 0.9 million sq.m. and has around 25,000 students. This is a new customer we procured during the Track Record Period. We became acquainted with it through participation in an industry event.

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Customer M	<p>A state-owned PRC company established in 2003 which engages in, among others. procuring integrated IT solutions services for educational institution(s) in Liucheng County, Liuzhou City, Guangxi. Based on the information available on public domain and to the best knowledge of our Directors after making reasonable enquiries, it has a registered capital RMB776.3 million. This is a new customer we procured during the Track Record Period. We became acquainted with it through tendering for its project in 2021.</p>
Customer O	<p>A state-owned university established in 1958 in Laibin city, Guangxi. Based on the information available on public domain and to the best knowledge of our Directors after making reasonable enquiries, it has a gross floor area of around 1.1 million sq.m. and has around 16,000 students.</p>
Customer P	<p>A PRC company established in 2019 which principally engages in providing Internet information service, technical service and information system integration service. Based on the information available on public domain and to the best knowledge of our Directors after making reasonable enquiries, it has a registered capital of RMB10.0 million. This is a new customer we procured during the Track Record Period. We became acquainted with it through participation in an industry event.</p>
Customer X	<p>A governmental authority in Binyang County, Nanning, Guangxi, which is responsible for the educational matters in Binyang County. This is a new customer we procured during the Track Record Period. We became acquainted with it through tendering for its project in 2022.</p>
Customer Y	<p>The Guangxi branch of a PRC company established in 2003 which engages in providing basic telecom service and internet information service. This is a new customer we procured during the Track Record Period. We became acquainted with it through active engagement.</p>

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Customer S	<p>A state-owned higher vocational education institution established in 1956 in Nanning City, Guangxi. Based on the information available on public domain and to the best knowledge of our Directors after making reasonable enquiries, it has a total area of around 1.3 million sq.m. and has around 30,000 students. This is a new customer we procured during the Track Record Period. We became acquainted with it through tendering for its project in 2022.</p>
Customer AA	<p>A PRC company established in 2010 which principally engages in software development and IT services. Based on the information available on public domain and to the best knowledge of our Directors after making reasonable enquiries, it has a registered capital of RMB10.0 million.</p>
Customer BB	<p>A PRC company established in 1997 which principally engages in provision of financial service. Based on the information available on public domain and to the best knowledge of our Directors after making reasonable enquiries, it has a registered capital of RMB8.0 million. This is a new customer we procured during the Track Record Period. We became acquainted with it through tendering for its project in 2022.</p>
Customer CC	<p>A state-owned university established in 1956 in Sichuan Province. Based on the information available on public domain and to the best knowledge of our Directors after making reasonable enquiries, it has a total area of around 2.3 million sq.m. and has around 38,000 students. This is a new customer we procured during the Track Record Period. We became acquainted with it through tendering for its project in 2022.</p>

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### Customer DD

A state-owned higher vocational education institution established in 1956 in Sichuan Province. Based on the information available on public domain and to the best knowledge of our Directors after making reasonable enquiries, it has a total area of around 1.4 million sq.m. and has around 18,000 students. This is a new customer we procured during the Track Record Period. We became acquainted with it through tendering for its project in 2021.

During the Track Record Period, in line with our business strategies, we actively procured new customers, including several major customers, namely Customer J, Customer K, Customer L, Customer M, Customer P, Customer X, Customer Y, Customer S, Customer BB, Customer CC and Customer DD. See above for the background of these customers, including how we became acquainted with these customers.

To the best of our Directors' knowledge after making reasonable enquiries, (i) save and except that Digital Guangxi Group included our then associate company, Shuguang Maiyue (which became our non-wholly owned subsidiary on 21 April 2021) and its controlling company, Digital Guangxi, none of our Directors or their respective close associates or any person who owns more than 5% of our issued share capital or of any of our subsidiaries, had any interest in any of our five largest customers in any of the year/period during the Track Record Period; and (ii) these customers (or their respective shareholders/beneficial owners and directors/controllers) do not have any past or present relationship (including, without limitation, employment, business or trust relationship) with our Company, our subsidiaries, Shareholders, Directors, senior management or any of their respective associates.

### Customer concentration

For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, our five largest customers in each year/period during the Track Record Period in aggregate accounted for 53.2%, 47.3%, 53.7% and 87.4%, of our total revenue, respectively; and our largest customer in each year/period during the Track Record Period accounted for 24.4%, 23.2%, 34.4% and 51.3%, of our total revenue, respectively.

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Our Directors are of the view that we have no material reliance issue on our major customers during the Track Record Period as the ranking and distribution of our five largest customers in each year/period during the Track Record Period were substantially different. In addition, it is one of our business strategies to undertake sizeable projects in order to further enhance our reputation and drive our future growth. We consider that if we decide to undertake projects with large contract sum, we may dedicate sufficient resources into the projects and may not be able to divert our attention to actively compete for other additional projects with overlapping work schedule. As a result, the relevant customers may easily become our major customers in terms of revenue contribution for the corresponding year.

We also have no intention to limit ourselves to mainly serving any particular major customer, including Digital Guangxi. The revenue generated from services provided to Digital Guangxi for the years ended 31 December 2020 and 2021 amounted to RMB50.4 million and RMB46.8 million, representing 24.4% and 23.2% of our total revenue for the corresponding year, respectively. As at the Latest Practicable Date, we do not have any ongoing projects nor undergo pre-tendering or tendering of any potential projects with Digital Guangxi. Therefore, we are of the view that a majority of our revenue for the year ended 31 December 2022 could be secured from projects other than those awarded by Digital Guangxi. For the year ended 31 December 2022, the revenue generated from services provided to Customer X of RMB83.7 million, representing 34.4% of our total revenue for the year, was generated from a large scale project which required us to dedicate sufficient resources. Such project was obtained by us through tendering and, save for being our customer, Customer X is an independent third party. For the four months ended 30 April 2023, we are of the view that the percentages of our largest customer and our five largest customers for the period has no specific reference value as our revenue is highly subject to seasonality effect (with a relatively insignificant portion of our revenue recognised for the first four months of the year). Based on the above, our Directors consider that we are able to extend our services to other customers and effectively mitigate our exposure to any material adverse changes of our relationships with any particular major customer, if any, and thus we have no material reliance issue on any particular major customer, including Digital Guangxi.

Nevertheless, according to the F&S Report, it is not uncommon for education IT solution companies to have relatively higher customer concentration, one of the major reasons for which is that the market players tend to undertake sizeable projects to enhance their reputation in the industry. Based on the annual reports of certain listed companies in the education IT solutions market, revenue contribution by five largest customers could reach over 50%. Accordingly, we are of the view, which is supported by the F&S Report, that our revenue contribution by the five largest customers in each year/period during the Track Record Period is generally in line with industry level.

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We are further of the view, which is supported by the F&S Report, that since customers prefer to engage IT solutions service providers with experience, capabilities to provide customised services and self-developed products and we possess the relevant experience and capabilities, our business relationships with our customers are mutual and complementary. In particular, we have developed and maintained business relationship with various education institutions in Guangxi, for example Guangxi University (廣西大學), being one of the largest education institutions in Guangxi and Wuzhou University (梧州學院), for more than ten years and each of these customers was one of our five largest customers in each year/period during the Track Record Period. Based on the above, our Directors consider that the likelihood of a material adverse change in our relationship with our major customers is low.

### General terms of contracts with our customers

Our contracts are generally awarded to us by our customers on a project basis. The following sets out the major terms generally included in the agreements with our customers:

Scope of services and contract period : The contract sets out the scope of our services, which specifies the technical specifications and requirements of our works, and the contract period. Depending on the types of services provided, the contract period of our integrated IT solutions services agreement may last for more than one year starting from the stage of application systems development and design, and our integrated IT solutions projects generally include a stage of execution which takes one to three months. See “— Our operation” for further details of the typical work flow in relation to the provision of our integrated IT solutions services.

Contract price : The contract sum of our contracts is mainly a lump sum fixed price.

The contract sum of our contracts generally refer to all charges payable by our customers to us for the sales of good and provision of services, including but not limited to the delivery costs, installation fees, and testing fees.

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- Payment : We issue invoices to our customers after the passing of the user acceptance test. The credit terms granted to our customers were generally 30 days during the Track Record Period.
- Hardware, equipment and software : The contract lists out the quantities and specifications of all the hardware, equipment and software required and their prices.
- Warranty : We generally offer a warranty period ranging from 12 months to 60 months after the completion of projects as a warranty provision against any major quality defects in the products we have sold. Within the warranty period, we shall provide hardware and equipment repairs and maintenance and software updates and supports free of charge.<sup>(1)</sup>
- Intellectual property : In respect of our self-developed products, we retain the intellectual property rights with respect to the software and relevant technology, methodology and programme that are provided to our customers. Our customers shall only have right to use such software and shall keep all information with respect to our technology, methodology and programme confidential.
- In respect of any third-party hardware or software products, we do not own the intellectual property rights and our customers shall only have the right to use.
- In respect of the materials associated with the project which are not hardware nor software products, including project materials, documents, programme source code, executable programmes, such rights are owned by our customers.
- See “— Intellectual property” for further details of our measures to prevent infringement of intellectual properties of us or our customers.

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Penalty : If we fail to perform our obligations before the stipulated schedule, a penalty generally equals to 3% of the contract price, but in aggregate not more than 5% of the total contract price, shall be payable by us to our customers for each day of delay.

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*Note:*

- (1) Based on the relevant accounting policies, for the hardware and equipment repairs and maintenance, as well as software updates and supports free of charge during the warranty period, we assess, on a case by case basis, whether the warranty provides a customer with additional service to the assurance that the product complies with agreed-upon specifications.

For warranty which only exists to protect customers from the risk of purchasing defective products, the services rendered would not be regarded as a performance obligation. Most of the warranties we provided during the Track Record Period fell within this scope. We make provision of assurance-type warranty at the end of each reporting period with reference to the historical warranty cost to revenue ratio. The associated costs of assurance-type warranty incurred for the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023 amounted to RMB886,000, RMB1,403,000, RMB1,091,000 and RMB660,000, respectively.

For warranty which provides a customer with additional service to the assurance that the product complies with agreed-upon specifications, the services would be regarded as a performance obligation. Accordingly, we allocate certain transaction price to the products and the services. The related revenue from these service-type warranty for the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023 amounted to nil, RMB245,000, RMB386,000 and RMB129,000, respectively. The amount of associated costs of service-type warranty incurred during the Track Record Period was considered to be insignificant.



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### Tripartite agreements

#### *Digital Guangxi Tripartite Agreements*

During the Track Record Period, five Digital Guangxi Tripartite Agreements were entered into among (i) our Group; (ii) Digital Guangxi; and (iii) our respective suppliers, under which similar arrangements were adopted. The following table sets out the details of the Digital Guangxi Tripartite Agreements:

Date	Agreement	Parties	Contract value (including VAT)	Revenue recognised during the Track Record Period
			<i>(RMB'000)</i>	<i>(RMB'000)</i>
15 December 2020	Digital Guangxi Tripartite Agreement A	(i) our Group; (ii) Digital Guangxi; and (iii) Supplier F	38,575 <sup>(1)</sup>	9,044 <sup>(1)</sup>
15 December 2020	Digital Guangxi Tripartite Agreement B	(i) our Group; (ii) Digital Guangxi; and (iii) Supplier F	37,697 <sup>(2)</sup>	8,416 <sup>(2)</sup>
10 December 2020	Digital Guangxi Tripartite Agreement C	(i) our Group; (ii) Digital Guangxi; and (iii) Supplier M	12,715	1,439
10 December 2020	Digital Guangxi Tripartite Agreement D	(i) our Group; (ii) Digital Guangxi; and (iii) Supplier M	9,184 <sup>(3)</sup>	1,042 <sup>(3)</sup>
10 February 2021	Digital Guangxi Tripartite Agreement E	(i) our Group; (ii) Digital Guangxi; and (iii) Supplier N	7,880	884

*Notes:*

- In addition to the original contract sum of RMB38.6 million, two procurement orders with total contract sum of RMB9.1 million were added and entered into between our Group and Digital Guangxi. As such, in addition to the revenue of RMB9.0 million recognised under the original contract during the Track Record Period, revenue recognised under the procurement orders during the Track Record Period amounted to RMB1.9 million.
- In addition to the original contract sum of RMB37.7 million, a procurement order with contract sum of RMB0.5 million was added and entered into between our Group and Digital Guangxi. As such, in addition to the revenue of RMB8.4 million recognised under the original contract during the Track Record Period, revenue recognised under the procurement order during the Track Record Period amounted to less than RMB0.1 million.

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3. In addition to the original contract sum of RMB9.2 million, a procurement order with contract sum of RMB1.3 million was added and entered into between our Group and Digital Guangxi. As such, in addition to the revenue of RMB1.0 million recognised under the original contract during the Track Record Period, revenue recognised under the procurement order during the Track Record Period amounted to RMB0.2 million.
4. Save for outstanding contract value (excluding VAT) of RMB1.3 million attributable to maintenance works after the completion of the projects, user acceptance tests of all of the above projects had been passed as at 31 December 2022 and therefore, all these projects (including the procurement orders) were regarded as completed during the Track Record Period.

For illustration purposes, the following sets out the arrangements under the aforesaid Digital Guangxi Tripartite Agreement A:

On 15 December 2020, the Digital Guangxi Tripartite Agreement A was entered into among (i) our Group; (ii) Digital Guangxi; and (iii) Supplier F. Pursuant to the Digital Guangxi Tripartite Agreement A, Digital Guangxi engaged us and Supplier F to provide integrated IT solutions services as part of several government sector projects (the “**Master Project**”). The roles, responsibilities and obligations of us and Supplier F to Digital Guangxi under the Digital Guangxi Tripartite Agreement A, i.e. the provision of integrated IT solutions services, are joint and several. Yet, such roles, responsibilities and obligations of us and Supplier F are limited to those set out under the Digital Guangxi Tripartite Agreement A. While our project under the Digital Guangxi Tripartite Agreement A was part of the Master Project, the Master Project involved work done by different service providers other than us, and we were not responsible for any work done under the Master Project other than those set out under the Digital Guangxi Tripartite Agreement A.

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On 16 December 2020, in relation to the Digital Guangxi Tripartite Agreement A, an agreement with a contract sum of RMB27.8 million (the “**Ancillary Supply Agreement**”) was entered into between (i) our Group; and (ii) Supplier F, pursuant to which Supplier F would provide us with the software required under the Digital Guangxi Tripartite Agreement A, and we were responsible for integrating, installing and implementing software developed and provided by Supplier F. In particular, Supplier F was responsible for the quality of the software. We should collect the total contract value of the Digital Guangxi Tripartite Agreement A and pay Supplier F the contract value for the software provided, following the payment terms as stipulated under the Ancillary Supply Agreement.

The principal terms of the Digital Guangxi Tripartite Agreement A and the Ancillary Supply Agreement are set out as follows:

	<u>The Digital Guangxi Tripartite Agreement A</u>	<u>The Ancillary Supply Agreement</u>
Date . . . . .	15 December 2020	16 December 2020
Parties . . . . .	(i) our Group;  (ii) Digital Guangxi; and  (iii) Supplier F	(i) our Group; and  (ii) Supplier F
	See “— Our Customers” and “— Our Suppliers” for further details of Digital Guangxi and Supplier F.	
Subject matter . . .	Digital Guangxi engaged us and Supplier F to provide integrated IT solutions services as part of the Master Project	Supplier F would provide us with the software required under the Digital Guangxi Tripartite Agreement A

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	<u>The Digital Guangxi Tripartite Agreement A</u>	<u>The Ancillary Supply Agreement</u>
Consideration and payment terms. . . . .	<p>The total contract value of the Digital Guangxi Tripartite Agreement A was RMB38.6 million. The contract value shall be payable in the following manner:</p> <ul style="list-style-type: none"><li>(i) 10% of the contract value should be paid by Digital Guangxi to our Group as prepayment within 15 business days after the signing of the Digital Guangxi Tripartite Agreement A;</li><li>(ii) 40% of the contract value should be paid by Digital Guangxi to our Group after the inspection by Digital Guangxi in relation to the work done under the Digital Guangxi Tripartite Agreement A and the issuance of invoice by our Group; and</li><li>(iii) the remaining 50% of the contract value should be paid by Digital Guangxi to our Group after the completion of the Master Project.</li></ul> <p>In addition, we are required to pay a deposit amounting to 5% of the contract value upon signing of the Digital Guangxi Tripartite Agreement A until the expiry of the warranty period which will be 60 months after the completion of the Master Project.</p>	<p>The total contract value of the Ancillary Supply Agreement was RMB27.8 million. The contract value shall be payable in the following manner:</p> <ul style="list-style-type: none"><li>(i) an amount of RMB5 million should be paid by our Group within 10 business days after the signing of the Ancillary Supply Agreement;</li><li>(ii) an amount of RMB5 million should be paid by our Group before 20 January 2021;</li><li>(iii) an amount of RMB3.9 million should be paid by our Group before 30 November 2021; and</li><li>(iv) an amount of RMB12.5 million within 90 days after the completion of the Master Project.</li></ul> <p>In addition, Supplier F is required to pay a deposit amounting to 5% of the contract sum upon signing of the Ancillary Supply Agreement until the expiry of the warranty period which will be 60 months after the completion of the Master Project. We should pay an amount of RMB1.4 million within 10 business days after the expiry of the warranty period.</p>

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Our Directors confirmed that we entered into the foregoing Digital Guangxi Tripartite Agreements upon request by Digital Guangxi. To the best knowledge of our Directors after reasonable enquiries, we believe it is a customary business practice of Digital Guangxi, who (i) had negotiated the price with Supplier F directly; and (ii) considered that entering into of such tripartite arrangements with software developers and IT solutions services providers would facilitate the progress of the master project, as they considered that it would be more manageable to have us as the local IT solution services provider in Guangxi, which is responsible for integrating, installing and implementing software developed by Supplier F, to be under the same agreement with Supplier F. In this relation, we consider that undertaking the project was in general in the interest of our Group, having considered that (i) we could derive considerable revenue and gross profit from the project; (ii) we would not be exposed to inventory risk in relation to software to be provided by our respective suppliers; (iii) we planned to further expand our customer base throughout the Track Record Period; and (iv) Digital Guangxi was a state-owned company which was given the strategic positioning by the Guangxi government and the establishment of such business relationship could help us to promote our reputation as a customised integrated IT solutions services provider in the government sector.

Under the above arrangements, in relation to the sale of software, we were regarded as an agent pursuant to the relevant accounting standards and policies, since we do not control the specified software before the software are transferred to Digital Guangxi, and we have no discretion in establishing price and are not responsible for the quality of the software. As confirmed by our Directors, the terms of the arrangements under the Digital Guangxi Tripartite Agreements were generally determined by Digital Guangxi. It has never been, and is not, our intention to change our business strategy and undertake projects as an agent. We would only consider to undertake projects as an agent at our customer's request, and we will consider the terms of the projects as a whole and assess whether the project will be in general in the interest of our Group.

According to our PRC Legal Advisers, the tripartite agreements are valid, legally binding and enforceable and are in compliance with the relevant PRC laws and regulations. In respect of our arrangement with Digital Guangxi and the relevant suppliers, our Directors are of the view that, which is also supported by the F&S Report that, it is not uncommon in the IT solutions market that customers would request to enter into tripartite agreement with more than one of their suppliers.

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### *Tripartite agreement with (i) financial institutions; and (ii) education institutions*

During the Track Record Period, five tripartite agreements were entered into among (i) our Group; (ii) financial institutions, including banks and credit card services providers; and (iii) education institutions, pursuant to which the education institutions engaged us to provide customised integrated IT solutions services in relation to construction or upgrade of certain IT infrastructure in the education institutions, and the financial institutions would be responsible for paying us the contract sum. For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, the revenue recognised under the relevant agreements in aggregate amounted to RMB3.1 million, nil, RMB4.7 million and nil, respectively, representing 1.5%, nil, 1.9% and nil of our total revenue, respectively for the corresponding years/period. As confirmed by our Directors, we entered into such tripartite agreement upon request by the education institutions. As the upgrade of the IT infrastructure was related to the enhancement of performance of the services provided by the financial institutions in the education institutions, the education institutions required the financial institutions to be responsible for the cost incurred. On the other hand, as the financial institutions intended to promote the use of their related services in the education institutions, they agreed to bear the cost of engaging us and directly settle our relevant accounts receivable. According to our PRC Legal Advisers, the tripartite agreements are valid, legally binding and enforceable and are in compliance with the relevant PRC laws and regulations. In respect of our arrangements with the education institutions and the financial institutions, our Directors are of the view that, which is also supported by the F&S Report, that it is not uncommon in the IT solutions market that customers would request to enter into tripartite agreement with their suppliers and the paying parties.

### **STRATEGIC PARTNERSHIPS**

During our course of business, we intend to selectively pursue strategic alliances that can have synergistic effects on our current business in order to solidify our market position and to enter into new markets. In selecting potential business partners, we generally consider a variety of factors, including the suitability with our strategic planning, degree of potential synergies and market position of the business partner. We believe that strategic alliance will drive our business growth and expand our customer base in a cost-effective manner.

Benefitted by our established market presence in Guangxi, we have formed partnerships with state-owned enterprises in Guangxi to promote long-term growth. For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, we generated sales in relation to our strategic partnerships of RMB41.9 million, RMB13.9 million, RMB20.9 million and nil, respectively, representing 20.2%, 6.9%, 8.6% and nil of our total revenue, respectively for the corresponding years/period.

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Set out below are information of the partnerships:

— *Shuguang Maiyue*

In October 2019, we and Digital Guangxi formed Shuguang Maiyue, which was then an associate company of our Group and subsequently became our 51% owned subsidiary in April 2021. See “History, Reorganisation and Corporate Structure — Corporate History and Development — Shuguang Maiyue” for the corporate structure of Shuguang Maiyue. Digital Guangxi is a state-owned company established in 2018 in the PRC, which principally engages in network technology development. It was strategically positioned and supported by the Guangxi government to promote the construction of digital government, digital economy and digital society in Guangxi, through the development and application of big data analytics. Based on the information available on public domain and to the best knowledge of our Directors after making reasonable enquiries, Digital Guangxi has a registered capital of RMB2,000.0 million, and recorded revenue of RMB94.4 million for the year ended 31 December 2019. Pursuant to the capital injection agreement and the memorandum and articles of Shuguang Maiyue, both Digital Guangxi and us will recommend an agreed number of directors to join the board of Shuguang Maiyue, who will be responsible for the management and operation of Shuguang Maiyue.

We believe that the formation of such strategic partnership with Digital Guangxi can have synergistic effects on our current business in the following manner: (i) Digital Guangxi possesses benefits from its strengths, especially its strategic positioning and support from the Guangxi government, as it has a considerable amount of business opportunities in large-scale projects in the government sector; (ii) Shuguang Maiyue can leverage the market position and relationship with Digital Guangxi, to increase the likelihood of being awarded for large-scale projects in the government sector; and (iii) establishing strategic partnership with a state-owned enterprise in the PRC could serve as an endorsement for our Group’s performance, strength and prospects and further solidify our reputation in the market. As a result, we are of the view that we could benefit from the strategic partnership to expand our business by (i) providing services to Digital Guangxi following the establishment of our enhanced relationship; (ii) leveraging the market position and relationship with Digital Guangxi, obtaining additional business opportunities through Shuguang Maiyue and providing services to other third party customers; and (iii) obtaining additional business opportunities from other new customers because of our better market reputation. We assess the likelihood of undertaking projects by our wholly-owned subsidiaries when suitable opportunities arise and would decide to undertake projects through Shuguang Maiyue if we consider that we could have a higher chance to be awarded the projects, especially when the potential opportunities are introduced by Digital Guangxi. Going forward, we will continue to assess every suitable opportunity and will take into account the experience in providing services in large-scale projects to be accumulated throughout our business.

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For the year ended 31 December 2020, we generated revenue of RMB41.9 million, representing 20.2% of our total revenue, from the provision of integrated IT solutions services to Shuguang Maiyue, which undertook projects and received a contract sum from independent third parties and engaged our subsidiaries to provide integrated IT solutions services by paying us a fee slightly less than the amount of contract sum it received. In particular, the fee we received from two major projects, namely Project F and Project G, of RMB38.5 million in aggregate, was approximately 10% less than the contract sum received by Shuguang Maiyue from the independent third parties. We recorded a lower gross profit margin of 11.4% and 11.9% for Project F and Project G, respectively mainly due to the competitive pricing we offered to undertake projects of larger scale which contributed a larger gross profit in dollar terms. Having considered that (i) Shuguang Maiyue obtained the projects from independent third parties through tendering with competitive pricing; (ii) the contract sum we received was only slightly less than the original contract sum paid by the independent third parties to Shuguang Maiyue; and (iii) as we wished to obtain projects of larger scale as mentioned above, it is expected that we would still have undertaken the projects if the opportunities were offered by independent third parties instead of Shuguang Maiyue on the same fee level, our Directors consider that the fees charged by us to Shuguang Maiyue are no less favourable than the fees charged by us to independent third parties for comparable projects (if any). In addition, other than the fees, the other terms of the transactions with Shuguang Maiyue were similar to those of the transactions with independent third parties for providing integrated IT solutions services. Based on the above, our Directors consider that our transactions with Shuguang Maiyue were conducted on normal commercial terms.

Given the strategic value of Shuguang Maiyue and having considered the projects successfully awarded to Shuguang Maiyue, we believe that our Group's overall business and financial results would be enhanced if Shuguang Maiyue becomes our subsidiary. Therefore, with an aim to fully consolidate the financial results of Shuguang Maiyue, we entered into a capital contribution agreement with Digital Guangxi on 21 April 2021 and obtained control of Shuguang Maiyue. After Shuguang Maiyue became our 51% owned subsidiary, the operating results, assets and liabilities of Shuguang Maiyue were fully consolidated to our Group's financial statements, save for attribution of net income to non-controlling interests. For illustrative purpose, had we consolidated Shuguang Maiyue into our Group's financial statements for the year ended 31 December 2020, we estimated that the consolidated revenue of our Group would have been increased by 2.2%, while the consolidated gross profit of the Group would have been increased by 3.4%, for the corresponding year. Save for the above, there was no change in revenue and cost structure of the Group after Shuguang Maiyue became our subsidiary.

For the years ended 31 December 2021 and 2022 and the four months ended 30 April 2023, Shuguang Maiyue generated revenue of RMB12.9 million, RMB20.9 million and nil, representing 6.4%, 8.6% and nil of our total revenue for the year/period, mainly from the provision of integrated IT solutions services to independent third parties.



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The following table sets out the details of the arrangements in relation to the strategic partnership as at the Latest Practicable Date:

Company name	Our partner	Board majority (our seats: our partner's seats)	Purpose of establishing the partnership	Role of our representative	Percentage of beneficial interests of our Group
Shuguang Maiyue . .	Digital Guangxi	3:2	To undertake more large-scale projects including the provision of integrated IT solutions services and the subsequent IT system operation services	Formulating corporate strategy, planning, business development, supervising the overall operations and overseeing daily business operations	51% held by Guangxi Silunjie

### — *Fangchenggang City Investment Digital*

In November 2020, we formed Fangchenggang City Investment Digital, which is a joint venture company of our Group, with Fangchenggang City Investment Development Group Limited (防城港市城市投資發展集團有限公司).

The following table sets out the details of the arrangements in relation to the strategic partnership as at the Latest Practicable Date:

Company name	Our partner	Board majority (our seats: our partner's seats)	Purpose of establishing the partnership	Role of our representative	Percentage of beneficial interests of our Company
Fangchenggang City Investment Digital . . . . .	Fangchenggang City Investment Development Group Limited (防城港市城市 投資發展集團 有限公司)	3:2	To undertake more integrated IT solutions projects in Fangchenggang city in Guangxi	Formulating corporate strategy, planning, business development, supervising the overall operations and overseeing daily business operations	65% held by Nanning Maiyue

For the years ended 31 December 2021, we generated revenue from the provision of integrated IT solutions services to Fangchenggang City Investment Digital, which amounted to RMB1.0 million and nil, representing 0.5% of our total revenue for the year.

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On 26 April 2023, we were informed by Fangchenggang City Investment Development Group Limited that, due to its internal restructuring and change of business plans, it intended to transfer its 35% interests in Fangchenggang City Investment Digital to Nanning Maiyue. See “History, Reorganisation and Corporate Structure — Corporate History and Development — Fangchenggang City Investment Digital” for further details.

### OUR CUSTOMERS THAT WERE ALSO OUR SUPPLIERS DURING THE TRACK RECORD PERIOD

During the Track Record Period, 21 of our customers were also our suppliers (“**Overlapping Entities**”). Each of the Overlapping Entities is an independent third party. Our Directors confirmed that our purchases from and sales to all of them are in separate contracts and the negotiations of the terms of our purchases from and sales to all of them were neither inter-connected nor inter-conditional with each other. The terms of transactions and the gross profit margin of sales to the Overlapping Entities are similar to those transactions with our other customers and suppliers. Based on the above, our Directors are of the view that the transactions with the Overlapping Entities were on normal commercial terms. Our Directors are of the view that, which is also supported by the F&S Report, that it is not uncommon for IT services providers to have their customers that are also their suppliers. The table below sets out the respective revenue and purchases with the Overlapping Entities during the Track Record Period:

	Years ended 31 December			Four months ended 30 April
	2020	2021	2022	2023
Revenue ( <i>RMB'000</i> ) . . . . .	31,783	14,209	46,629	182
Percentage of revenue . . . . .	15.3%	7.0%	19.2%	2.1%
Gross profit margin . . . . .	35.2%	44.9%	23.5%	71.0%
Purchases ( <i>RMB'000</i> ) . . . . .	20,374	28,068	15,103	35
Percentage of total cost of sales . . . . .	15.5%	27.3%	10.9%	0.5%

#### *Overlapping Entities that were either our top five customers or top five suppliers*

Five of our Overlapping Entities were either our major customers or major suppliers during the Track Record Period.

#### *(i) Customer B*

During the Track Record Period, we provided integrated IT solutions services, sales of hardware and/or software, and standalone IT services to Customer B. For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, our total revenue

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generated from Customer B amounted to RMB13.6 million, RMB3.0 million, RMB13.5 million and RMB0.1 million, respectively, representing 6.5%, 1.5%, 5.6% and 1.2% of our total revenue, respectively for the corresponding years/period.

During the Track Record Period, we engaged Customer B to provide supporting technical services in relation to our research and development activities. For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, our total purchases from Customer B amounted to RMB0.1 million, nil, nil and nil, respectively, representing 0.1%, nil, nil and nil of our total cost of sales for the corresponding years/period.

We procured the above-mentioned services from Customer B in a single occasion to satisfy our instant needs.

*(ii) Customer I*

During the Track Record Period, we provided integrated IT solutions services to Customer I. For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, our total revenue generated from Customer I amounted to RMB10.7 million, nil, nil and nil, representing 5.2%, nil, nil and nil our total revenue, respectively for the corresponding years/period.

During the Track Record Period, we purchased hardware and/or software from Customer I. For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, our total purchases from Customer I amounted to RMB2.9 million, RMB1.6 million, RMB0.8 million and nil, respectively, representing 2.2%, 1.6%, 0.6% and nil of our total cost of sales, respectively for the corresponding years/period.

As Customer I is engaged in sales of computer hardware and software, we may procure software from them from time to time when we require such software in our projects.

*(iii) Customer P*

During the Track Record Period, we provided sales of hardware and/or software to Customer P. For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, our total revenue generated from Customer P amounted to nil, nil, RMB9.9 million and nil, representing nil, nil, 4.0% and nil our total revenue, respectively for the corresponding years/period.

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During the Track Record Period, we engaged Customer P to provide supporting technical services. For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, our total purchases from Customer P amounted to nil, nil, RMB0.01 million and nil, respectively, representing nil, nil, less than 0.1% and nil of our total cost of sales for the corresponding years/period.

As Customer P is engaged in providing Internet information service, technical service and information system integration service, we may procure supporting technical services from them from time to time when we require such services in our projects.

*(iv) Supplier G*

During the Track Record Period, we provided integrated IT solutions services to Supplier G. For the years ended 31 December 2020 and 2021 and 2022 and the four months ended 30 April 2023, our total revenue generated from Supplier G amounted to RMB0.2 million, nil, nil and nil, respectively, representing 0.1%, nil, nil and nil of our total revenue, respectively for the corresponding years/period.

During the Track Record Period, we purchased hardware from Supplier G. For the years ended 31 December 2020 and 2021 and 2022 and the four months ended 30 April 2023, our total purchases from Supplier G amounted to RMB8.0 million, nil, nil and nil, respectively, representing 6.1%, nil, nil and nil of our total cost of sales, respectively for the corresponding years/period.

As Supplier G is engaged in sales of electronic equipment, we may procure IT equipment from them from time to time when we require such equipment in our projects.

*(v) Supplier Q*

During the Track Record Period, we provided sales of hardware, which mainly includes networking equipment, displaying equipment, safety equipment, etc., to a fellow subsidiary of Supplier Q. For the years ended 31 December 2020 and 2021 and 2022 and the four months ended 30 April 2023, our total revenue generated from the fellow subsidiary of Supplier Q amounted to nil, nil, RMB5.6 million and nil, respectively, representing nil, nil, 2.3% and nil of our total revenue, respectively for the corresponding years/period.

During the Track Record Period, we purchased hardware and software, which mainly includes virtual reality-related hardware and software, from Supplier Q. For the years ended 31 December 2020 and 2021 and 2022 and the four months ended 30 April 2023, our total purchases from Supplier G amounted to nil, nil, RMB6.2 million and nil, respectively, representing nil, nil, 4.5% and nil of our total cost of sales, respectively for the corresponding years/period.

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As Supplier Q and its fellow subsidiary are engaged in providing technical services and information system integration services as well as sales of computer hardware and software, we may procure hardware and/or software from them from time to time when we require such hardware and/or software in our projects.

### OUR SUPPLIERS

During the Track Record Period, our suppliers mainly comprised (i) hardware and equipment manufacturers or distributors, or software developers; and (ii) IT and supporting service providers, which provide IT and supporting services such as fitting-out services. Our suppliers are mainly located in the PRC.

For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, our five largest suppliers in each year/period during the Track Record Period in aggregate accounted for 45.3%, 36.3%, 44.5% and 55.0%, of our total purchases, respectively, and our largest supplier in each year/period during the Track Record Period accounted for 17.0%, 16.9%, 25.8% and 26.6%, of our total purchases, respectively. The following tables set out the details of our five largest suppliers in each year/period during the Track Record Period:

#### Year ended 31 December 2020

Rank	Supplier	Relationship since	Nature and background of supplier	Type of product/ service provided to us	Purchase of our Group <i>RMB'000</i>	Percentage of total purchase %
1	Supplier D	2016	A company established in the PRC, which principally engages in sales of computer software and equipment.	Hardware	28,310	17.0
2	Supplier F	2020	A group of companies established in the PRC, which engages in development of database management systems.	Software	27,759	16.6
3	Supplier G	2019	A company established in the PRC, which principally engages in sales of electronic equipment and software.	Hardware	8,043	4.8
4	Supplier H	2020	A company established in the PRC, which engages in sales of computer and electronic products.	Hardware	5,918	3.5
5	Supplier I	2015	A company established in the PRC, which engages in sales of computer hardware.	Hardware	5,600	3.4
Total purchases from our five largest suppliers . . . . .					75,630	45.3

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### Year ended 31 December 2021

Rank	Supplier	Relationship since	Nature and background of supplier	Type of product/service provided to us	Purchase of our Group	Percentage of total purchase
					<i>RMB'000</i>	%
1	Supplier F	2020	A group of companies established in the PRC, which engages in the development of database management systems.	Software	27,897	16.9
2	Supplier J	2021	A company established in the PRC, which engages in the sales of computer software and hardware.	Software	10,935	6.6
3	Supplier K	2021	A company established in the PRC, which engages in the sales of computer software and equipment.	Software	7,898	4.8
4	Supplier L	2021	A company established in the PRC, which engages in the development of computer software and equipment.	Software	6,777	4.1
5	Supplier A	2011	A group of entities established in the PRC, which principally engages in the sales of internet equipment, computer accessories and consumables.	Hardware	6,407	3.9
Total purchases from our five largest suppliers . . . . .					59,914	36.3

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### Year ended 31 December 2022

Rank	Supplier	Relationship since	Nature and background of supplier	Type of product/service provided to us	Purchase of our Group	Percentage of total purchase
					<i>RMB'000</i>	%
1	Supplier O	2022	A company established in the PRC, which principally engages in providing technical services and information system integration services	Hardware, software	40,300	25.8
2	Supplier D	2016	A company established in the PRC, which principally engages in sales of computer equipment and software	Hardware, software	8,954	5.7
3	Supplier P	2021	A company established in the PRC, which principally engages in providing computer system services and information system integration services	Hardware, software	7,065	4.5
4	Supplier R	2022	A company established in the PRC, which principally engages in providing technical service and sales of computer software and ancillary equipment	Others ( <i>Note</i> )	7,002	4.5
5	Supplier Q	2022	A company established in the PRC, which principally engages in providing technical services and information system integration services and sales of computer hardware and software	Hardware, software	6,240	4.0
Total purchases from our five largest suppliers .....					69,561	44.5

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### Four months ended 30 April 2023

Rank	Supplier	Relationship since	Nature and background of supplier	Type of product/service provided to us	Purchase of our Group	Percentage of total purchase
					<i>RMB'000</i>	%
1	Supplier S	2023	A company established in the PRC, which principally engages in software development and providing technical services	Hardware, software	3,455	26.6
2	Supplier T	2023	A company established in the PRC, which principally engages in production of computer and other IT equipment	Hardware, software	1,571	12.1
3	Supplier O	2022	A company established in the PRC, which principally engages in providing technical services and information system integration services	Hardware	937	7.2
4	Supplier U	2023	A company established in the PRC, which engages in the development of technology, computer hardware, software and equipment	Hardware, software	700	5.4
5	Supplier V	2020	A company established in the PRC, which engages in the sales of computer and intercom hardware, software and equipment	Hardware, software	480	3.7
Total purchases from our five largest suppliers .....					7,143	55.0

*Note:* Others include other equipment for carrying out integrated IT solutions projects for education institutions/government authorities.

To the best of our Directors' knowledge after making reasonable enquiries, none of our Directors or their respective close associates or any person who owns more than 5% of our issued share capital or of any of our subsidiaries, had any interest in any of our five largest suppliers in any of the year/period during the Track Record Period.



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### Supplier concentration

For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, our five largest suppliers in each year/period during the Track Record Period in aggregate accounted for 45.3%, 36.3%, 44.5% and 55.0%, of our total purchases, respectively; and our largest supplier in each year/period during the Track Record Period accounted for 17.0%, 16.9%, 25.8% and 26.6%, of our total purchases, respectively.

Our Directors are of the view that we have no material reliance issue on our major suppliers during the Track Record Period as the ranking and distribution of our five largest suppliers in each year/period during the Track Record Period were substantially different.

We also maintain a list of approved suppliers, with at least three suppliers for each type of products generally in our approved list. Accordingly, our Directors consider that we can freely select suppliers for a particular project based on price, quality and specification of products offered by the suppliers and thus we are able to effectively mitigate the risk of exposure to any material adverse changes in our relationship with our major suppliers.

### Selection of suppliers

We maintain a list of approved suppliers, which are selected and continuously evaluated based on credit period, quality of products, timeliness of delivery and quality of supporting services. For each type of products, we generally maintain at least three suppliers in our approved list. Our selection of suppliers for a particular project is generally based on the price, quality and specification of products offered by the suppliers.

### General terms of contracts with our suppliers

We do not enter into any long-term supply agreements with our suppliers. We generally place purchase orders with our suppliers after our clients' contracts are confirmed. The following sets out the major terms generally included in the agreements with our suppliers:

Product description and order amount	:	A brief description of the products, including specifications and brands, the number of pieces and unit prices are specified.
Scope of services and contract period	:	The scope of services, including the technical specifications and requirements of works, and the contract period are specified.

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Payment	:	The credit terms granted by our suppliers were generally 0 to 90 days during the Track Record Period. We usually settle the payment by telegraphic transfer.
Warranty	:	We require a warranty period ranging from 12 months to 72 months from our suppliers against any major quality defects in the products they have sold. Within the warranty period, our suppliers shall provide hardware and equipment repairs and maintenance and software updates and supports free of charge.
Penalty	:	If our suppliers fail to perform their obligations before the stipulated schedule, a penalty generally equals to 0.5% of the total contract price shall be payable by them to us for each day of delay.

### INVENTORY CONTROL

Our inventory primarily consists of hardware and software which are commonly used for implementation of our projects in order to minimise our risk of exposure to obsolete stock. As at 31 December 2020, 2021 and 2022 and 30 April 2023, our inventory balance amounted to RMB3.3 million, RMB2.3 million, RMB4.5 million and RMB8.6 million, respectively.

We normally place orders with suppliers upon acceptance of customers' purchase orders or signing our contract with customers to reduce our risk exposure to obsolete stock and reduce working capital requirements. For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, our inventory turnover days were 12 days, 10 days, 9 days and 112 days, respectively.

### QUALITY CONTROL

We have put in place a strict system of quality control measures throughout our business operation. In recognition of our quality control system, we are certified as being in compliance with the requirements of ISO 9001:2015. See “— Awards and Recognitions” below for further details.

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The following sets out a summary of the key quality control measures which we have implemented:

- **Service quality control**

Our project management and technical teams are responsible for ensuring the quality of our services by conducting testing on the services provided by us.

- **Product quality control**

Our procurement team will be responsible for quality control of the procurement, storage and sales of the hardware and software. Our product quality control team places emphasis on the quality control and logistics arrangements of the IT products and will conduct a full inspection on all the IT products procured from our suppliers and sold to our customers. We are entitled to return the IT products which do not meet our quality standards to the suppliers for replacement.

- **Supplier management**

We will monitor the performance of our suppliers in planned intervals. The performance will be measured against the service targets and other contractual obligations. The performance results will be documented and reviewed to identify any non-conformities or room for improvement so as to ensure the services provided by our suppliers satisfy our requirements.

During the Track Record Period and up to the Latest Practicable Date, we (i) did not encounter any material product recall or return from our customers due to defects found in our products; and (ii) did not experience any material quality issues or receive any material complaints about the quality of our services.

## INTELLECTUAL PROPERTY

We rely on a combination of registration of patents, copyrights and trademarks and protection under relevant trade secret laws and regulations to protect our intellectual property rights. We own copyrights and patents of relevant contents and software we developed. As at the Latest Practicable Date, we have obtained 84 software copyrights and 14 patents which include (i) 13 utility models patents (實用新型專利); and (ii) one invention patent (發明專利). As at the Latest Practicable Date, we have also applied for the registration of 12 patents which we consider to be material to our business. Details of our intellectual property rights, which are material to our business and operations, are set out in “Statutory and General Information — B. Further Information about our Business — 2. Intellectual property rights” in Appendix IV to this prospectus.

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Our operations rely heavily on our intellectual property rights. We have put efforts on the protection of our intellectual property rights from infringement and misappropriation by third parties. In addition to a combination of registration of patents, copyrights and trademarks and protection under relevant trade secret laws and regulations, we protect our or our customers' intellectual property rights through entering into confidentiality agreements with our staff. In general, our staff must enter into a standard employment contract that includes a clause acknowledging that all trade secrets generated by them during their employment with us are our properties, and assigning to us any ownership rights that they may claim in those works. However, there may be unauthorised attempts to use and obtain our intellectual property. In the event of a successful claim of infringement by third party or our failure or inability to protect our intellectual properties, we may face damage to our reputation and may also adversely affect our operations. See “Risk Factors — We may not be able to adequately protect our intellectual property rights and may be exposed to third-party claims of infringement or misappropriation of intellectual property rights” for details of risk involving our intellectual property rights.

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, there were no material disputes or infringements in connection with our intellectual property rights pending or threatened against our Group which could have a material adverse effect on our operations or financial performance. As at the Latest Practicable Date, we had not been subject to any material intellectual property claims against us or experienced any dispute in relation to the infringement on our intellectual property rights. Our Directors believe that we have taken reasonable measures to prevent infringement of our intellectual property rights.

## COMPETITION

According to the F&S Report, both the education and government IT solutions markets are subsets of the overall IT solutions market with market share of 11.7% and 9.9% within the overall IT solutions market in the PRC, respectively, in terms of revenue in 2022.

According to the F&S Report, the education IT solutions market is highly fragmented with approximately 1,000 players in Guangxi. In 2022, the total revenue generated by the top five players in the education IT solutions services amounted to RMB567.6 million, accounting for a total market share of 3.9% in Guangxi.

Within the education IT solutions market, the integrated IT solutions market in Guangxi is also fragmented with less than 500 of integrated IT solutions services providers. In 2022, the total revenue generated by the top five integrated IT solutions provider in Guangxi amounted to RMB399.2 million, accounting for a total market share of 9.3%, respectively.

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The entry barriers of the education IT solutions market include: (i) the accumulation of rich experience and deep know-how, and successful track records in providing education IT solutions services; (ii) the possession of strong technical strength including ability to adapt to new emerging technologies and applications, and capability of providing one-stop customised education IT solutions services; (iii) the establishment of a well-known brand name in the operating regions and solid relationship with schools and education institutions; and (iv) the solid relationship with suppliers of hardware equipment and software services.

Driven by (i) the strong policy support; (ii) the increasing public expenditure on education; (iii) the strong demand from the education industry; and (iv) the rapid technological development and iteration, the total revenue of education IT solutions market in Guangxi has grown at a CAGR of 9.4% between 2017 and 2022. In particular, the market size of integrated IT solutions services in Guangxi has experienced a growth at a CAGR of 11.5% and is expected to grow at a CAGR of 8.3% between 2022 to 2027, reaching RMB6.4 billion in 2027.

The government IT solutions market in Guangxi is relatively fragmented. There were around 300 players in the government IT solutions market of Guangxi. Driven by (i) favourable government policy; (ii) accelerating urbanisation process; and (iii) rapid technological development, the government IT solutions market in Guangxi increased from RMB6.1 billion in 2017 to RMB10.7 billion in 2022, representing a CAGR of 11.8%. Going forward, the government IT solutions market in Guangxi is expected to increase at a CAGR of 5.6% between 2022 and 2027, reaching RMB14.1 billion in 2027.

We believe that we have an edge over our competitors due to our ability and experience in providing customised integrated IT solutions services to our customers and our market position which targets at the education sector and the government sector in the PRC. See “— Our Competitive Strengths” above for further details of our competitive strengths. The demand for customised integrated IT solutions services in both education IT solutions market and government IT solutions market will continue to grow according to the F&S Report and our Directors are of the view that we are well positioned to capture the emerging demand in the market.

## INSURANCE

We maintain insurance policies that are required under the relevant PRC laws and regulations as well as policies based on our assessment of our operational needs and industry practice. Our Directors consider that the coverage from the insurance policies maintained by us is adequate for our present operations and is in line with the industry norm. We will continue to review and assess our risk portfolio and make necessary and appropriate adjustments to our insurance practice. As advised by our PRC Legal Advisers, save as disclosed in “— Legal Proceedings and Non-compliance Incident — Non-compliance incident” below, we had duly maintained all material

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insurance policies in compliance with the relevant PRC laws and regulations during the Track Record Period and up to the Latest Practicable Date. During the Track Record Period and up to the Latest Practicable Date, we have not made, nor been the subject of, any material insurance claims.

### **ENVIRONMENTAL, SOCIAL AND GOVERNANCE**

During the Track Record Period, due to the nature of our business (that is, we do not operate in a highly-polluting industry), we did not incur material costs in relation to the compliance of relevant environmental laws and regulations. As we operate in the IT solutions market, our businesses do not have a material impact on the environment during the course of our provision of services. However, we have generated pollutant through indirect emissions from the consumption of electricity and paper consumption. To the best of our Directors' knowledge, during the Track Record Period and up to the Latest Practicable Date, there was no administrative sanctions, penalties or punishment imposed upon us for the violation of environmental laws and regulations which had materially and adversely affected our operations.

Nevertheless, we consider the protection of the environment to be important. We are committed to complying with all applicable environmental laws and regulations in our business operations, and endeavour to mitigate any negative effects of our operations on the environment. Under our environmental, social and governance (“ESG”) policies, we proactively identify any major environmental and social sustainability risks related to our business, and formulate policies on emissions, use of energy, climate change, employees' welfare and safety and data protection. We are committed to minimise the environmental impact of our business through adopting green procurement practices and publicising environmental protection messages to our staff. We have set up metrics and targets for environmental and health and safety management to review major environmental and social sustainability risk performance on a regular basis.

We do not expect to incur environmental liabilities that could have any material impact on our financial condition or business operations upon Listing. We will comply with the ESG reporting requirements after Listing and the responsibility to publish ESG report on an annual basis in accordance with Appendix 27 to the Listing Rules. We will focus on each of the areas as specified in Appendix 27 to the Listing Rules, particularly those environmental and social issues that could have a material impact on the sustainability of our operations and that are of interest to our Shareholders.

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Our Board has the overall responsibility for evaluating and determining our ESG-related risks including climate-related risks and establishing, adopting and reviewing our ESG vision, policy and target. Our Directors have the responsibility to ensure that the ESG policies established are duly implemented and comply with the latest standards. We have established an ESG management sub-committee which serves a supportive role to our Board in implementing the agreed ESG policies, targets and strategies, conducting materiality assessments of environmental-related, climate-related, social-related risks and assessing how we adapt our business in light of climate change, collecting ESG data from different parties while preparing for the ESG report, and continuously monitoring the implementation of measures to address our ESG-related risks and responsibilities. Our ESG management sub-committee reports to our Board on an annual basis via board meeting on our ESG performance and the effectiveness of these ESG systems.

### **Measures to identify, assess and manage ESG related risks**

Under our ESG policies, we intend to adopt various strategies and measures to identify, assess and manage ESG risks, including but not limited to:

- reviewing and assessing ESG reports of similar companies in the IT industry to ensure relevant ESG related risks are identified on a timely basis;
- making reference to the local and international guidelines such as the Sustainability Accounting Standards Board Standards for the industry-specific ESG risks;
- discussing with management from time to time to ensure material ESG related issues are reported and addressed;
- establishing communication channels and discussing with key stakeholders on an ongoing basis to understand ESG related concerns and monitor how our environmental, social and climate-related performance has impacted key stakeholders; and
- engaging professional advisers to advise on compliance with ESG matters.

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Through the above, we have identified the following material ESG issues relating to our Group and their potential impacts on our business, strategy and financial performance:

Material ESG issues	Potential risks, opportunities and impacts	Mitigating actions
Resources and energy management . . . . .	Ineffective resources and energy management may potentially lead to excessive energy usage, which leads to increased operational cost	<p>Promoting energy conservation and environmentally friendly procurement practices</p> <p>Reviewing and accounting for greenhouse gas emissions and resource consumptions</p> <p>Performing overall waste management in the office and warehouse</p>
Impact of climate change.	<p>Climate change may lead to risks of more frequent extreme weather conditions. Such risks may lead to potential injuries to employees and increase in insurance premiums in long term</p> <p>Regulators may require increasing disclosure on emission and tighten environmental regulations. Such transitional risks which require us to move towards a sustainable business model may potentially lead to impacts such as increased operational cost from change of operational practices</p>	<p>Providing work arrangements for bad weather and/or extreme conditions to mitigate potential injuries to employees and increase in insurance premiums</p> <p>Monitoring the changes in ESG-related regulatory requirements and market trend</p> <p>Assessing the energy consumption proportion in our operation comprehensively and optimising the corresponding procedures</p>
Human capital development . . . . .	Insufficient resources devoted towards the development of human capital, such as lack of training and promotion opportunities, may put our Group at risk of higher turnover rates and less competent workforce in medium and long term. Strong human capital development and the provision of competitive remuneration packages may improve employee retention and dedication	Providing employees with competitive social benefits and career development opportunities
Privacy and data security.	Ineffective privacy and data protection policies may put our Group at risk of data leakages and privacy breaches, leading to increased costs in addressing regulatory actions, involving litigations and potential fines, and also potentially tarnishing our reputation	Requiring employees to sign non-disclosure agreement to mitigate privacy and data security risks



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### Metric and targets on environmental, social and climate-related risks

During the Track Record Period, we have assessed our environmental performance by understanding the environmental footprint. Our business primarily operates in office and the most significant resource consumption is the use of electricity and paper consumption. The use of electricity accounted for the largest proportion of the greenhouse gas (“GHG”) emission. In addition, with reference to our expanding IT service business, we have placed more attention to the environmental protection in respect of the procurement of information technology products and materials during our business operation. In particular, we have clearly stated in our tender documents for the procurement of products to our suppliers that they shall comply with the relevant policies and requirements relating to energy-saving, such as the policies imposed by the relevant local authorities, and we are entitled to return IT products which fail to meet our quality standards to the supplier. Also, given that our services provided to customers are relatively customised, it is infrequent for us to dispose of any scrap IT hardware materials. In case there are scrap or unused hardware products or IT materials, they will be collectively recycled and disposed of according to our relevant internal procedures. The tables below summarise our key environmental performance as at the relevant date indicated:

Resource consumption	Unit	As at 31 December			As at 30 April
		2020	2021	2022	2023
Energy consumption <sup>(1)</sup> . . .	MWh	255.6	274.9	297.7	51.2
Energy consumption Intensity . . . . .	MWh per RMB'million revenue	1.23	1.36	1.22	5.93
Wasted water consumption . . . . .	m <sup>3</sup>	1,603.8	2,197.6	2,062.4	633.0
Wasted water consumption Intensity . . . . .	m <sup>3</sup> per RMB'million revenue	7.74	10.89	8.48	73.26
Paper consumption . . . . .	tonnes	1.42	1.83	2.52	0.81
Paper consumption intensity . . . . .	tonnes per RMB'million revenue	0.0068	0.0091	0.0104	0.0937

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GHG emission	Unit	As at 31 December			As at 30 April
		2020	2021	2022	2023
Total GHG Emission . . . .	tonnes CO <sub>2</sub> e	208.0	224.8	245.3	45.1
Scope 1 Emission. . . . .	tonnes CO <sub>2</sub> e	2.5	3.8	5.9	3.9
Scope 2 Emission. . . . .	tonnes CO <sub>2</sub> e	205.6	221.1	239.4	41.2
Total GHG Emission Intensity . . . . .	tonnes CO <sub>2</sub> e per RMB'million revenue	1.00	1.11	1.01	5.22

After identifying and evaluating the emission and consumption trend, we will develop the reduction targets and formulate feasible action plans to enhance our performance after Listing.

*Note:*

- (1) Majority of energy consumed by our Group is electricity, which mainly includes the electricity consumed at our office and our servers for business operation.

### Health and work safety

Due to our business nature, we are not subject to significant health and occupational safety risks. To the best of our Directors' knowledge, during the Track Record Period and up to the Latest Practicable Date, (i) we did not experience any accident in our operations that would have a material impact on our business or results of operations; (ii) there had been no material violation of any health and work safety laws and regulations applicable to our operations; and (iii) there had been no claim or penalty imposed on our Group as a result of violation of health and work safety laws and regulations. We have put in place a staff manual that sets down the safety policies and procedures to ensure that our operations are in compliance with applicable work safety laws, regulations and requirements. Our human resources team is responsible for recording and keeping track of any workplace injuries and following up with relating insurance claims to protect our employees and us.

To the best of our Directors' knowledge, during the Track Record Period and up to the Latest Practicable Date, we had not encountered any material claims or complaints from our employees, customers or the public in respect of health or work safety issues relating to our business operations.

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### LICENCES AND PERMITS

As advised by our PRC Legal Advisers and confirmed by our Directors, during the Track Record Period and up to the Latest Practicable Date, our Group had all material requisite licences, approvals and permits required for our operations in the PRC. The following table sets out the key licence which we have obtained for our business during the Track Record Period:

Name of licence	Holder	Grade	Type of business	Granting authority in the PRC	Date of expiry/ cancellation
Qualification for the integration of the confidential information systems (涉密信息系統集成資質證書) . . . . .	Nanning Maiyue	Second class (乙級)	System integration, software development	National Administration of State Secrets Protection of Guangxi Zhuang Autonomous Region (廣西壯族自治區國 家保密局)	30 March 2023 <sup>(Note)</sup>

*Note:* The licence expires on 20 December 2024. Yet, in view that Nanning Maiyue would no longer be able to possess or renew the license after the Listing as illustrated below, we made application to the relevant authority to cancel the licence on 21 March 2023 and the authority formally approved the application and cancelled the licence on 30 March 2023.

Our Directors confirmed that, save as disclosed above, during the Track Record Period and up to the Latest Practicable Date, no licence and permits had been revoked, cancelled or otherwise expired and we had not been penalised by national or local authorities for violations of laws and regulations, which may have material adverse effects on our Group.

In relation to the qualification for the integration of the confidential information systems, as advised by the PRC Legal Advisers, since it is expected that the proportion of foreign investors and/or their acting in concert parties will indirectly hold more than 20% of the equity interest of Nanning Maiyue after the Listing, Nanning Maiyue would no longer be able to possess or renew the licence after the Listing. In view of the foregoing, we applied to cancel the licence and such licence was cancelled on 30 March 2023. During the Track Record Period, we had two integrated IT solutions projects with contract value of RMB36.0 million (with supplemental order of RMB4.9 million) which depended on the licence. For the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, these two integrated IT solutions projects (including the supplemental order) contributed revenue of nil, RMB33.5 million, RMB4.3 million and nil, respectively, to our Group, representing nil, 16.6%, 1.8% and nil of our total revenue during the respective years/period. Our Directors are of the view that it would have no material adverse effect on our sustainability nor significant impact on our Group, having considered that it was not our

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intention at any point of time during the Track Record Period to heavily rely on the licence to capture business opportunities, particularly where there were only two integrated IT solutions projects with total contract value (including VAT) of RMB36.0 million (with supplemental order of RMB4.9 million) during the Track Record Period requiring the licence, which our Directors consider, shall not cause material adverse effect on our sustainability as compared to our revenue throughout the Track Record Period. On the other hand, our Directors are of the view that we are well-positioned to undertake other integrated IT solutions projects leveraging on our competitive advantages to capture business opportunities under the strong market growth.

### AWARDS AND RECOGNITIONS

We have received various awards and certificates since our establishment in recognition of the quality of services we have provided and the outstanding achievements we have accomplished. The following table sets out the material certificates we received:

Certificates	Issuing organisation	Recipient	Date of first issuance	Date of expiry
Guangxi High and New Technology Enterprise Certification (廣西高新技術企業證書) . . .	Guangxi Zhuang Autonomous Region Science and Technology Department (廣西壯族自治區科學技術廳)	Nanning Maiyue	30 November 2016 (last renewed on 18 October 2022)	17 October 2025
The list of pilot demonstration projects for the development of the big data industry (大數據產業發展試點示範項目名單) . . .	MIIT	Maiyue Big Data Digitalised Campus Platform (邁越大數據智慧校園平台)	8 August 2022	Not applicable
National Intellectual Property Advantage Enterprise (國家知識產權優勢企業) . . .	China National Intellectual Property Administration	Nanning Maiyue	23 September 2022	Not applicable
100 Excellent Demonstration Cases (100個優秀示範案例) . . . . .	<i>Note (1)</i>	(i) Big Data Platform project in Nanning Vocational and Technical College (南寧職業技術學院大數據平台建設項目); and  (ii) Information Public Teaching Support Platform project in Guangxi University (廣西大學信息化公共教學支撐平台項目)	29 July 2021	Not applicable

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Certificates	Issuing organisation	Recipient	Date of first issuance	Date of expiry
Guangxi Zhuang Autonomous Region Industry-Education Integration Pilot Enterprise (廣西壯族自治區產教融合型試點企業) . . . . .	Guangxi Zhuang Autonomous Region Development and Reform Commission (廣西壯族自治區發展和改革委員會)	Nanning Maiyue	18 December 2021	Not applicable
“High-quality, Developed, and Technologically Advanced” small and medium-sized enterprise (“專精特新”中小企業) . . .	Guangxi Zhuang Autonomous Region Department of Industry and Information Technology (廣西壯族自治區工業和信息化廳)	Nanning Maiyue	22 November 2021	Not applicable
Nanning Service Industry Leading Enterprise (南寧市服務業龍頭企業) . . . . .	Office of the Leading Group for the Development of Service Industry in Nanning (南寧市服務業發展領導小組辦公室)	Nanning Maiyue	29 July 2022	Not applicable
National Encouraging Industry Certification (國家鼓勵類產業認定) . . .	Nanning Development and Reform Commission (南寧市發展和改革委員會)	Nanning Maiyue	15 July 2019	Not applicable
National Encouraging Industry Certification (國家鼓勵類產業認定) . . .	Nanning Development and Reform Commission (南寧市發展和改革委員會)	Guangxi Silunjie	27 December 2017	Not applicable
Guangxi Zhuang Autonomous Region Enterprise Technology Centre (廣西壯族自治區企業技術中心) . .	<i>Note (2)</i>	Nanning Maiyue	5 November 2018	Not applicable
Nanning Recognised Enterprise Technology Centre (南寧市認定企業技術中心) . . . . .	Nanning Industry and Information Commission (廣西壯族自治區工業和信息化委員會)	Nanning Maiyue	13 November 2017	Not applicable
Software Product Certification (軟件產品證書) . . . . .	Guangxi Software Industry Association (廣西軟件行業協會)	Silunjie project management system v1.0 (思倫捷項目管理系統 v1.0)	30 December 2019	29 December 2024
ISO9001:2015 . . . . .	Beijing World Standards for Certification Centre Inc. (北京世標認證中心有限公司)	Nanning Maiyue	8 May 2018	7 May 2024
ISO45001:2018 . . . . .	Beijing World Standards for Certification Centre Inc. (北京世標認證中心有限公司)	Nanning Maiyue	12 May 2022	11 May 2025

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Certificates	Issuing organisation	Recipient	Date of first issuance	Date of expiry
ISO14001:2015 . . . . .	Beijing World Standards for Certification Centre Inc. (北京世標認證中心有限公司)	Nanning Maiyue	12 May 2022	11 May 2025
Data Management Capability Maturity (Robust Level (Level 3)) (數據管理能力成熟度(穩健級(3級))) . . .	China Electronic Information Industry Federation (中國電子信息行業聯合會)	Nanning Maiyue	15 May 2023	14 May 2026
Kunpeng Technology Certification (鯤鵬技術認證證書). . . . .	Huawei Cloud Ecological Technology Certification Centre (華為雲生態技術認證中心)	Nanning Maiyue	25 May 2023	April 2026
R&D Center Maturity Level 3 Certification . . . . .	CMMI Institute	Nanning Maiyue	18 June 2023	17 June 2026

*Notes:*

- (1) Guangxi Zhuang Autonomous Region Committee Cyber Information Office (中共廣西壯族自治區委員會網絡安全和信息化委員會辦公室), Guangxi Zhuang Autonomous Region Development and Reform Commission (廣西壯族自治區發展和改革委員會), Guangxi Zhuang Autonomous Region Industry and Information Technology Department (廣西壯族自治區工業和信息化廳) and Guangxi Zhuang Autonomous Region Big Data Development Bureau (廣西壯族自治區大數據發展局)
- (2) Guangxi Zhuang Autonomous Region Industry and Information Commission (廣西壯族自治區工業和信息化委員會), Guangxi Zhuang Autonomous Region Science and Technology Department (廣西壯族自治區科學技術廳), Guangxi Zhuang Autonomous Region Development and Reform Commission (廣西壯族自治區發展和改革委員會), Guangxi Zhuang Autonomous Region Finance Department (廣西壯族自治區財政廳), Guangxi Zhuang Autonomous Region Tax Department (廣西壯族自治區稅務局) and Nanning Customs Department (南寧海關)

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The following table sets out the major awards we received during the Track Record Period:

Award	Year of award	Issuing organisation	Recipient
Most Potential Private Enterprise in Guangxi 2019 (2019 廣西最具潛力民營企業) . . . . .	2019	Guangxi Zhuang Autonomous Region Industry and Commerce Federation (廣西壯族自治區工商業聯合會) and Guangxi Zhuang Autonomous Region Science and Technology Department (廣西壯族自治區科學技術廳)	Nanning Maiyue
Leading Enterprise in Digitalised Campus (Guangxi) (智慧校園(廣西)領軍企業) . . . . .	2019	Guangxi Smart City Research Association (廣西智慧城市研究會)	Nanning Maiyue
Model Leading Key Demonstration Enterprises under Digital Guangxi Construction (數字廣西建設標杆引領重點示範企業) . . . . .	2019	Leading Group Office of Digital Guangxi Construction (數字廣西建設領導小組辦公室)	Nanning Maiyue
Top 100 High and New Technology Enterprises in Guangxi (廣西高新技術企業一百強) . . . . .	2019-2020	Association of High and New Technology Enterprises in Guangxi (廣西高新技術企業協會)	Nanning Maiyue

### OUR EMPLOYEES

As at 30 April 2023, we had a total of 218 employees. The following table sets out a breakdown of our employees by function:

Functions	Number of employees
Management . . . . .	29
Sales and marketing . . . . .	22
Project management . . . . .	27
Technical . . . . .	23
Research and development . . . . .	87
Procurement . . . . .	5
Finance . . . . .	9
Administrative and human resources . . . . .	16
<b>Total</b> . . . . .	<b>218</b>

### **Relationship with staff**

Our success depends on our ability to attract, retain and motivate talented and competent personnel. As part of our retention strategy, we offer competitive salaries, performance-based bonuses and staff benefits to our employees. We also strive to develop a sense of belonging for employees to our Group and an affinity to our business brand, motivating employees to interact and collaborate as a community.

### **Training and recruitment policies**

We have employees recruited through job market recruitments taking into account of the candidates' initiative, the relevant qualification and capability and work ethic. As our recruitment principle, each job applicant has an equal job opportunity. All of them will be treated equally and there is no discrimination as to gender, age and ethnicity. We provide management personnel and employees with on-the-job training to improve their skills and knowledge. Such trainings serve as a guide and tour for employees to understand our business operations, culture and policies. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any labour-related disputes or work stoppages in all material respects and we and our employees had not established any labour union.

We believe that our employees are important assets to us. Our goal is to provide employees with resources and an environment that encourages them to develop careers with us. We believe we have good relationships with our employees. Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we did not experience any material labour disputes or difficulty in recruiting staff for our operations.



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### PROPERTIES

#### Owned properties

As at the Latest Practicable Date, we had property ownership certificates for the following property in the PRC:

Location	Usage	Gross floor area <i>m</i> <sup>2</sup>
1. No. 1801-1803, 1805-1813, Building 2, Longguang International, No. 399 Wuxiang Avenue, Liangqing District (良慶區五象大道399號龍光國際2號樓1801-1803, 1805-1813號)	Office premise	794.23

#### Leased properties

As at the Latest Practicable Date, we leased the following properties which are material to our business operations:

Location	Gross floor area <i>m</i> <sup>2</sup>	Term of Lease	Usage
1. Rooms 803, 804, Floor S2-8, Global Center, High-tech Zone, Chengdu (成都市高新區環球中心S2-8樓803、804號)	379.94	16 July 2022 to 15 July 2024; RMB20,896.7 per month	Research and development centre
2. The Whole Floor of the 8th Floor to the Part of the 9th Floor, Block B, West Supporting Engineering Complex, Guangxi Sports Centre, No. 9 Gehai Road, Nanning City (南寧市歌海路9號廣西體育中心配套工程綜合體西B座第8層整層至第9層部分)	1,588	1 June 2018 to 31 May 2023; RMB15,880 per month <sup>Note</sup>	Office premise, research and development centre
3. Room 602, Unit 1, Building 7, Honglin Bay, Chenhua, Fangchenggang City (防城港市晨華紅林海灣7棟1單元602號房)	147.57	1 December 2022 to 1 December 2023; RMB1,365 per month	Staff quarters

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Location	Gross floor area	Term of Lease	Usage
	<i>m</i> <sup>2</sup>		
4. No. 401, 4/F, Building 5, Ronggang City Truck Phase I, No. 19, Jinkai Road, Nanning (南寧市金凱路19號榮港城倉儲一期5棟4樓401號)	127	1 May 2023 to 31 October 2023; RMB2,857.5 per month	Warehouse
5. No. 1901, Block A, Sansheng Mansion, North of Yingbin Road, Port District, Fangchenggang City (防城港市港口區迎賓路北面三生觀邸A座1901號)	106.12	25 August 2022 to 24 August 2023; RMB1,000 per month <sup>Note</sup>	Staff quarters
6. No. 5-6-3, Building 5, Zixinyuan Community, Yizhou City (宜州市紫馨苑小區5棟5-6-3號)	172.73	20 April 2023 to 20 December 2023; RMB1,350 per month	Staff quarters
7. Room 12, 14/F, Cosco Tower, 183 Queen's Road Central, Sheung Wan, Hong Kong	200.21	16 April 2023 to 15 April 2025; HK\$78,000 per month	Office
8. Room 1006, Unit 2, Teacher Apartment Building No.2, Binhai Campus, Beibu Gulf University, Qinzhou (欽州北部灣大學濱海校區2號教師公寓樓2單元1006室)	100.28	4 January 2023 to 3 January 2026; RMB18,050.4 per year	Staff quarters
9. Room 502, Floor 5, No. 191, Weiliu Community Living Resettlement Area, Hechi City (河池市維六社區生活安置區191號第5層樓502號房)	118	13 August 2023 to 12 February 2024; RMB1,500 per month	Staff quarters
10. Room 2103, Floor 21, Unit 2, No. 53-3, Anning East Road, Shilitian Street, Anning District, Lanzhou City (蘭州市安寧區十里田街道安寧東路53-3號2單元21層2103室)	85	27 July 2023 to 26 July 2024; RMB2,200 per month	Staff quarters

*Note:* The term of lease has expired as at the Latest Practicable Date and we are currently arranging for the signing of the new lease for renewal.

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### **Property valuation**

As at the Latest Practicable Date, we had no single property with a carrying amount of 15% or more of our total assets, and on this basis, we are not required by Rule 5.01A of the Listing Rules to include in this prospectus any valuation report. Pursuant to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this prospectus is exempted from compliance with the requirements of section 342(1)(b) of the Companies (WUMP) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (WUMP) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

### **Business park development**

#### *Background*

In view of our market position in the education IT solutions market in Guangxi, in 2019, the Development Reform and Investment Promotion Bureau of the Planning and Construction Management Committee of Wuxiang New District, Nanning, Guangxi (廣西南寧五象新區規劃建設管理委員會發展改革和投資促進局) invited us to tender for a land with gross floor area of 16,500 sq.m. in Liangqing District, Nanning City, with a view to develop an IT-related business park (the “**Business Park**”). Our Directors were of the view that developing the Business Park would be in the interest of our Group. With this development, we could invite other IT solutions services providers, including hardware and equipment manufacturers or distributors, or software developers, to set their local headquarters, offices or workshops in the Business Park with a view to enhance our relationships with them and strengthen our collaborations with them. This will, in turn, enable us to broaden and diversify our product portfolio in a timely and cost-effective manner in order to meet the ever-changing IT developments and the distinct requirements of our customers. Besides, we can utilise part of the Business Park to expand our office in light of our intended business expansion. Accordingly, we submitted a tender for such development and were granted the property ownership of the said land at a consideration of RMB9.2 million in December 2019.

#### *Engagement of construction company*

On 2 September 2020, our Group entered into a construction agreement (the “**Construction Agreement**”) with contract sum of RMB140 million with Guigang Honggang Construction Engineering Co., Ltd. (貴港市宏港建築工程有限責任公司) (the “**Contractor**”), a construction company which is an independent third party, in relation to the construction of the Business Park. Pursuant to the Construction Agreement, the Contractor is responsible for the construction works, fitting out works, electrical and mechanical works and some other ancillary services of four

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multi-storey industrial buildings with gross floor area of over 60,000 sq.m.. As at the Latest Practicable Date, the foundation works phase was completed and the superstructure construction phase was in progress and it is expected that the construction will be completed by the end of 2023. There was no revenue and cost sharing arrangement.

### *Cooperation with external operating partner*

As the development of the Business Park proceeded, it is estimated that the development of the Business Park would continue to require a significant amount of costs. As an illustration, as at 31 December 2022, it is estimated that the total expenditure in relation to the development of the Business Park would amount to RMB220.0 million (which mainly included the amounts under the Construction Agreement, other expenses at the early stage of the development of the Business Park, such as earth excavation costs and other miscellaneous costs, and the consideration of acquiring the land) and we had only paid RMB41.3 million at the material time. As such, we have been looking for external operating partners to cooperate in developing the Business Park.

In April 2021, our Group entered into an agreement (the “**Former Operation Agreement**”) with a subsidiary of a real estate operator group (the “**Former Operator**”) in relation to the development and operation of the Business Park. To the best knowledge of our Directors after reasonable enquiries, save for the Former Operation Agreement, the Former Operator or its shareholders/beneficial owners and directors/controllers do not have any past or present relationship (including employment, business or trust relationship) with our Company, our subsidiaries, shareholders, directors, senior management or any of their respective associate, and are independent to the Contractor. Pursuant to the Former Operation Agreement, we intended to cooperate with the Former Operator to develop the Business Park. In particular, while we granted the Former Operator 70% of the right of use and right to rental income of the Business Park (in terms of gross floor area or number of floors) for a period of 30 years, the Former Operator would be responsible for the construction and operation of the Business Park including the cost incurred therein.

In late 2021, we were informed by the Former Operator that it could not fulfil its payment obligations according to the Former Operation Agreement at the material time and that it wished to terminate the Former Operation Agreement with us as there was an adjustment of its internal business strategies and it might not have enough resources for the development of the Business Park.

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According to the Former Operation Agreement, in the event of a breach, the defaulting party shall compensate the other party of all losses arising from such breach. However, having considered that (i) we had an obligation of developing the Business Park towards the Planning and Construction Management Committee of Wuxiang New District, Nanning, Guangxi (廣西南寧五象新區規劃建設管理委員會) and wished to develop the Business Park according to the planned schedule; (ii) we did not incur or pay any additional costs under the Construction Agreement and/or the Former Operation Agreement in any material aspects due to the failure of the Former Operator and thus our loss as a result of the failure of the Former Operator was minimal; (iii) we wished to maintain good business relationship with the Former Operator, which would allow us to have more opportunities for future business cooperation; and (iv) we preliminarily reached an agreement and were in the final stage of negotiation with the Operator (as defined below) in relation to the development of Business Park, and given the new operation arrangement is in general in the interest of our Group, we did not wish to lengthen the termination process which may otherwise interrupt our cooperation with the Operator. As a result, on 29 March 2022, we entered into a termination agreement with the Former Operator in relation to the termination of both of our and its responsibilities under the Former Operation Agreement without attempting to seek any compensation from the Former Operator. Pursuant to the termination agreement, neither of us would be responsible for any breach of terms or conditions stated in the Former Operation Agreement.

In April 2022, we reached an agreement with Guangxi Qianlong Education Technology Co., Ltd. (廣西千龍教育科技有限公司) (the “**Operator**”), in relation to the development and operation of the Business Park. We became acquainted with the Operator since a fellow subsidiary of the Operator, namely Guangxi Chonggao Electronic Technology Co., Ltd. (廣西崇高電子科技有限責任公司), was our customer. The Operator is an independent third party and, to the best knowledge of our Directors after making reasonable enquires, independent to the Contractor and the Former Operator. The Operator is a limited liability company established in the PRC on 13 December 2021 by two individuals who also owned several IT companies in Guangxi, including Guangxi Chonggao Electronic Technology Co., Ltd., which is an IT company established in Guangxi in 2013 and was named as an executive council member (常務理事) of Guangxi Institute of Electronics (廣西電子學會). One of the owner of the Operator is also the vice president of Nanning Electronic Information Chamber of Commerce (南寧電子信息商會).

Under our agreement with the Operator, we would establish a project company, held by each of us and the Operator at an agreed proportion of ownership, designated for the development of the Business Park, and majority of the rights and responsibilities originally held by us, including the responsibilities under the Construction Agreement and the ownership of the land and the buildings to be constructed (or the holding company thereof), would be transferred to the project company (the “**Operation Arrangement**”). We consider that entering into, and developing the Business Park under, the Operation Arrangement are in general in the interest of our Group.

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Our Directors confirm that we intend to continue our business focus on provision of integrated IT solutions services in the education and government IT solutions markets in Guangxi and consider that the investment in the Business Park will be in line with our business strategies, where we can leverage to strengthen our collaboration with other IT solutions services providers and expand our office to support our business expansion. Going forward, while we intend to benefit from our investment in Guangxi Qianyue by utilising part of the Business Park area to expand our office and receiving return of investment, we may also consider to sell, partially or wholly, our equity interest in Guangxi Qianyue to realise the capital appreciation, taking into accounts factors such as the prevailing market rate of the corresponding properties.

On the other hand, to the best knowledge of our Directors after reasonable enquiries, the Operator was interested in the development of the Business Park and entering into the Operation Arrangement as they were attracted by the growth potential of the education IT solutions market, especially the education informatisation.

In light of the Operation Arrangement, several agreements were entered into between the relevant parties and us. The following table sets out the key terms and arrangement under the Operation Arrangement, which were stipulated in the above agreements:

- *Business focus.* Guangxi Qianyue has undertaken that the business focus of the Business Park will be placed on the development of big data and cloud computing terminal equipment. Our Directors are of the view that such business focus is in line with the development of the IT industry in the PRC and Guangxi as well as our business operation.
- *Responsibility borne by us.* The rights and responsibilities originally held by us, including the responsibilities under the Construction Agreement and the ownership of the land and the buildings to be constructed, would be transferred to Guangxi Qianyue. However, we are required to move our registered address into the Business Park within six month after the completion of the construction.
- *Ownership of Guangxi Qianyue.* The Operator and Nanning Maiyue agreed to contribute RMB178.6 million and RMB39.3 million to Guangxi Qianyue, representing a registered capital of Guangxi Qianyue of RMB16.2 million and RMB3.8 million, respectively.

In respect of the capital contribution amounts, the amount to be contributed by the Operator was determined based on total expected outstanding amount payable in relation to the development of the business park with reference to the estimated total expenditure of RMB220.0 million; minus (i) the amount of RMB41.3 million which we have paid; and (ii) costs payable of RMB0.1 million which cannot be transferred to Guangxi

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Qianyue and will be paid by us. The amount to be contributed by Nanning Maiyue was determined with reference to the net book value of land and construction in progress to be transferred to Guangxi Qianyue of RMB96.2 million as at 31 December 2021, with the addition of RMB2.0 million based on the appraised value of RMB98.2 million; minus the payables for construction of the Business Park to be transferred to Guangxi Qianyue with book value of RMB58.9 million as at 31 December 2021.

The amount and portion of the registered capital was determined based on negotiation between the Operator and Nanning Maiyue, with reference to (i) the estimated total expenditure of RMB220.0 million; (ii) the amount of RMB41.3 million which we have paid and RMB0.1 million to be borne and payable by us; and (iii) the amount of RMB178.6 million to be borne by the Operator. Immediately after such capital contribution, Guangxi Qianyue was held as to 81% and 19% by the Operator and Nanning Maiyue, respectively.

- *Payment.* As illustrated above, the Operator and Nanning Maiyue agreed to contribute RMB178.6 million and RMB39.3 million to Guangxi Qianyue, respectively, among which the Operator was required to pay according to an agreed schedule taking into account the latest construction schedule, while the contribution by Nanning Maiyue will be completed by transferring the property right (or the holding company thereof) with the construction in progress and the relevant payables for the construction from Nanning Maiyue to Guangxi Qianyue.

As at the Latest Practicable Date, the Operator had injected RMB100.0 million to Guangxi Qianyue, which is in line with the latest payment schedule.

As at the Latest Practicable Date, the registration procedures for change of the property right certificate has been completed. After discussions with the relevant tax authority and an independent tax adviser for this matter and for tax planning purpose, we proceeded with a plan involving formation of a new company under our Group for holding the property right, and subsequent transfer of the ownership of the aforesaid holding company to Guangxi Qianyue.

### *Financial impact on our Group*

Pursuant to the Operation Arrangement, responsibilities originally borne by us in relation to development of Business Park have been transferred to Guangxi Qianyue, and we do not have any further obligations to pay any costs in relation to the development of the Business Park, save for an immaterial amount of RMB0.1 million.

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In view that (i) in accordance with the memorandum and articles of Guangxi Qianyue, relevant activities of the entity require consent with simple majority of shareholding; and (ii) we only own 19% of Guangxi Qianyue's equity interest, we cannot exercise significant influence over Guangxi Qianyue and will recognise the 19% of Guangxi Qianyue's equity interest as a financial asset. As a result, as at 30 April 2023, financial assets of RMB40.0 million was recognised, resulting in a gain of disposal of RMB0.7 million for the four months ended 30 April 2023.

In addition, there is also risk that the Business Park may not be developed as planned, or our business partners, including the Contractor and the Operator may not fulfil their obligations under their respective agreements with us, which may thus incur loss on our investment. See "Risk Factors — There is no assurance that the development of business park at our own property will be implemented as expected" for further details. In particular, in the event that the Operator does not fulfil its obligations under the Operation Arrangement, we will look for alternative business partners in relation to the development and operation of the Business Park. In the unlikely event that the Business Park cannot be further developed and operated, Guangxi Qianyue might need to be wound up and the potential maximum amount that we might need to write off would be our 19% equity interest in Guangxi Qianyue i.e. the book value of the financial assets which amounted to RMB40.0 million as at 30 April 2023. However, the write-off would only cause impact on our profit or loss but not our cash flow. In addition, in response to such risk, we have requested each of the two equity holders of the Operator to irrevocably undertake to us that, in the case the Operator cannot inject capital into Guangxi Qianyue according to the payment schedule as agreed, they will indemnify us against all responsibilities under the capital injection agreement and the construction and operation agreement, both entered into by, among others, the Operator.

### LEGAL PROCEEDINGS AND NON-COMPLIANCE INCIDENT

As at the Latest Practicable Date, no member of our Group or our Directors was involved in any litigation, claim or administrative proceedings of material importance, and no litigation, claim or administrative proceedings of material importance is known to our Directors to be pending or threatened against any member of our Group or our Directors.



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### Non-compliance incident

We had been involved in a non-compliance incident during the Track Record Period, a summary of which is set out in the table below. Save as disclosed below, our PRC Legal Advisers advised that we had been in compliance with the applicable PRC laws and regulations relating to our business operations in all material respects during the Track Record Period.

Details of non-compliance incident	Reasons	Possible legal consequences and impact	Remedial actions and internal control measures
<i>Non-compliance relating to social insurance and housing provident fund contributions in the PRC</i>			
<p>During the Track Record Period, we failed to register with the relevant government authorities within a prescribed period for social insurance fund, and make full contribution to the social insurance fund and housing provident fund and pay the contributions for certain employees, which did not fully comply with provisions of the Social Insurance Law of the PRC (中華人民共和國社會保險法) and the Regulations on the Administration of Housing Provident Fund of the PRC (住房公積金管理條例). We estimated that the outstanding social insurance fund and housing provident fund was RMB1.5 million, RMB3.9 million, RMB3.5 million and RMB1.3 million for the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, respectively.</p> <p>During the Track Record Period, we also engaged third-party human resources agencies to pay social insurance premium for certain employees in the location where they work and such arrangements did not fully comply with provisions of the Social Insurance Law of the PRC.</p>	<p>The non-compliance incidents were mainly due to (i) insufficient understanding of the relevant PRC laws and regulations of our responsible handling staff; (ii) absence of professional advice for our staff at the material time; and (iii) absence of subsidiary or branch offices in the locations where the employees worked.</p>	<p>According to the relevant PRC laws and regulations, the social insurance authority may order us to pay the overdue fine equivalent to 0.05% of the outstanding amount within the specified time limit (calculated daily from the date on which the relevant social insurance contribution became payable). Where payment is not made within the specified time limit, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of arrears.</p> <p>We may also be required to pay off any shortfall of housing provident fund contributions by a stipulated deadline, and if we fail to do so, a fine of not less than RMB10,000 nor more than RMB50,000 shall be imposed and the relevant authority relating to housing provident fund contributions may apply to court for compulsory execution.</p>	<p>Based on written confirmations from the relevant competent authorities as confirmed by our PRC Legal Advisers (the “<b>Relevant Authorities</b>”), (i) each of the relevant subsidiaries had never been subject to any administrative penalty due to non-compliances with the relevant laws and regulations concerning social insurance and labour rights, and housing provident funds during the Track Record Period; and (ii) each of the relevant subsidiaries had not received any orders or demands from the respective Relevant Authorities requesting them to pay the unpaid social insurance or housing provident fund contributions or any penalties.</p> <p>Interviews were conducted with the Relevant Authorities, during which it was confirmed that we had been complied with the relevant laws and regulations in relation to the contribution to the social insurance funds and housing provident fund since establishment of the relevant subsidiaries and up to the date of the interviews.</p>

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Details of non-compliance incident	Reasons	Possible legal consequences and impact	Remedial actions and internal control measures
			<p>As at the Latest Practicable Date, we had not received any notice or demand to make payments for the social insurance and housing provident fund contributions. We were also not aware of any employee's complaints or demands for payment of social insurance or housing provident fund contributions. Our Directors undertake to use their best endeavours to ensure the compliance with the applicable laws and regulations concerning social insurance and labour rights and housing provident funds going forward. As at the Latest Practicable Date, we have completed registration with the relevant government authorities for social insurance fund. We will make full contribution to social insurance and housing provident fund for all of our employees prior to the Listing.</p> <p>Based on the above and the assumption that there are no material changes to the current policies, regulations and implementation and supervision requirements of the local government and in the absence of employee disputes, our PRC Legal Advisers are of the view that the possibility of the relevant government authorities imposing penalty on us is remote, and in the event that we are required to pay any social insurance or housing provident fund contributions, it will not have any material impact on our business operations.</p> <p>Our Directors believe that the foregoing non-compliance incident has not caused or will not cause any material and adverse financial or operational impact on us due to the following reasons:</p> <p>(a) our internal policy and guidelines will be revised to include (i) compliance on calculation and contribution of social insurance and housing provident fund matters; and (ii) our head of the administration and human resources department will review calculation of the relevant contributions, and keep proper records of any contributions paid;</p>

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Details of non-compliance incident	Reasons	Possible legal consequences and impact	Remedial actions and internal control measures
			<p>(b) our Controlling Shareholders have irrevocably undertaken to us that, in the case the relevant social insurance authority and housing provident fund authority requested us to pay for such non-compliance, they will indemnify us against all losses, claims, penalties, fines, and expenses as a result of the existing or potential non-compliance; and</p> <p>(c) we will confirm with the relevant local government authorities for the basis of our contributions to the social insurance and housing provident funds annually going forward.</p>

## INTERNAL CONTROL AND RISK MANAGEMENT

Our Directors are responsible for formulating and overseeing the implementation of our internal control measures and effectiveness of quality and risk management system. To foster a culture of compliance, we have adopted, or expect to adopt before the Listing, a series of internal control policies, procedures and programs designed to provide reasonable assurance for achieving objectives including effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations. Highlights of our internal control system include the followings:

- *Code of conduct*: Our code of conduct explicitly communicates to each employee our values, acceptable criteria for decision-making and our ground rules for behaviour. Our code of conduct also includes whistleblowing policies to encourage all employees to speak up against any sub-standard behaviour.
- *Anti-corruption*: Our anti-corruption policies provide the tools and resources necessary to enable, monitor and enforce full compliance with the anti-bribery and anti-corruption laws of China and other countries where we conduct our business operations. Our anti-corruption policies and measures include (i) distributing staff handbook to our staff which lists out various misconduct or fraudulent activities and the respective disciplinary actions, and the whistleblowing and complaint handling process through written submissions, telephone or email and the confidential obligation to the complainants; (ii) requiring our senior management, staff in sales and marketing department, procurement department and tendering team to sign the anti-corruption practice commitment to indicate that each of them is aware of and voluntarily abide by our anti-corruption requirements; and (iii) formulating a whistleblowing and complaint

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handling process and we will conduct investigations for any suspected cases of bribery, corruption or other related misconduct or fraudulent activities. In cases where misconduct is found, we may take disciplinary actions as appropriate, report to the relevant regulatory authorities and/or initiate legal actions to recover any losses suffered by us as a result of such misconduct.

- *Compliance with the Listing Rules and relevant laws and regulations:* Our various policies aim to ensure compliance with the Listing Rules, including but not limited to aspects related to corporate governance, connected transactions and securities transactions by our senior management and Directors. We have appointed Quam Capital Limited as our compliance adviser upon Listing and will engage external legal advisers to advise us and provide trainings to our Directors and senior management on compliance with the Listing Rules and relevant laws and regulations.
- *Internal Audit:* Our Company will establish an internal audit function that regularly monitors key controls and procedures in order to assure our management and our Board that the internal control system is functioning as intended. The audit committee in our Board is responsible for supervising our internal audit function.

The ultimate goal of our risk management process is to identify and focus on the issues in our business operations that create impediments to our success. Our risk management process starts with identifying the major risks associated with our corporate strategy, goals and objectives. The key process points in our risk management include:

- *Identify:* We identify current and emerging risks in our business operations and categorise those risks into a reasonable profile based on timeframe, likelihood, intensity and impact severity. We establish four risk categories, including strategic risks, financial risks, operating risks and legal risks.
- *Assess:* We assess and prioritise risks so that the most important risks can be identified and dealt with. Based on both qualitative and quantitative analyses, we prioritise risks in terms of likelihood and impact severity.
- *Mitigate:* Based on our assessment of (i) the probability and impact severity of the risks; and (ii) cost and benefit of the mitigation plans, we choose the appropriate option for dealing with risks, including risk elimination by suspending the associated business activities, risk reduction by adopting appropriate control measures, risk transfer by outsourcing or purchasing insurance policies, and risk acceptance by choosing to accept risks of low priority.

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- *Measure:* We measure our risk management by determining if changes have been implemented and if these changes are effective. In the event of any weakness in control, we follow up by adjusting our risk management measures and reporting material issues to our Directors.

In light of the above, our Directors are of the view that we have adequate and effective internal control and risk management procedures and policies in place to minimise the possibilities of future occurrence of the non-compliance incidents.

### **Data Security and Privacy**

We have implemented measures to comply with relevant laws and regulations on data protection and privacy in our business operations.

Among the services and products provided by our Group, only services and products in relation to big data analytic may involve certain confidential information such as personal and behavioural data of the users. When we provide this kind of services or products, the data being collected and processed are stored in the local servers of our customers or their end users, i.e. the education institutions or government authorities. Such data is owned and managed by our customers or their end users, as we are only responsible for the provision of solution implementation and technical and maintenance services.

During the course of our operation, our project execution personnel may have authorised access by our customers to the servers of our customers or the end users while they perform their duties. Such authorised access is temporary and we need further approval for performing maintenance work of the server, and they are not allowed to share such information with any of our other employees or outside parties.

We require all our employees to comply with our internal policies and protect privacy and personal information, and we strictly prohibit unauthorised or improper collection or use of such data or personal information.