
FUTURE PLANS AND [REDACTED]

FUTURE PLANS

For details of our future plans, please refer to the section headed “Business – Business Strategies” in this document.

[REDACTED]

We estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] million from the [REDACTED] after deducting the [REDACTED] and other estimated expenses in connection with the [REDACTED] payable by us, assuming no [REDACTED] is exercised and assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] set forth on the cover page of this document).

We intend to use the net [REDACTED] we expect to receive from the [REDACTED] for the following purposes:

- approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used for pursuing potential strategic acquisition opportunities of property management service providers and urban service providers with a geographic focus on Hunan Province, Jiangxi Province and Guizhou Province to maximize potential collaborative advantages with our existing business and boost our business development. We primarily target the following types of business:
 - (i) the downstream property management service providers specializing in professional services such as security, cleaning, electromechanical repair and maintenance services, etc., especially those with resource advantages and relevant qualifications; and
 - (ii) urban service providers with relevant operation experience and required qualifications, such as companies specializing in parking lot operation with asset-light operating model, companies in the provision of downstream services of lighting system operation, as well as companies in the field of landscaping and engineering.

For details of criteria for potential acquisitions, please refer to the paragraph headed “– [REDACTED] – Plans for Strategic Acquisitions – Criteria for Strategic Acquisitions” in this section.

- approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used for the purchase of operational vehicles and equipment for municipal sanitation services and lighting system operation services, thereby progressively enhancing our service capacity:
 - (i) approximately [REDACTED]%, or HK\$[REDACTED] million will be allocated to the procurement of operational vehicles for municipal sanitation services, including washer vehicles, sprinkler vehicles, road maintenance vehicles, and garbage trucks,

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to cater to the technological and mechanization trend in the industry and improve our operation efficiency and service quality, thereby further enhancing our reputation and competitiveness in the market; and

- (ii) approximately [REDACTED]%, or HK\$[REDACTED] million will be allocated to the procurement of operational vehicles and equipment for lighting system operation services, including engineering vehicles and generators to reduce our costs and strengthen vehicles management, and further reinforce our market standing.
- approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used over the next four years for further technology development to bolster our technological capabilities, and promote our degrees of digitization and automation.
 - (i) approximately [REDACTED]%, or HK\$[REDACTED] million will be allocated to develop and optimize the internal management information system. This will primarily focus on managing various labor-intensive tasks such as security, cleaning, landscaping, maintenance, and customer service, contracts, finance, and assets online. The goal is to create a refined control system to ensure our systems' collaboration with systems from other parties. We also plan to further develop our internal management information systems to implement more precise internal management of contracts, revenue, basic information, and personnel etc. so as to replace the current system;
 - (ii) approximately [REDACTED]%, or HK\$[REDACTED] million will be allocated to develop and enhance business operating systems, including (a) a smart parking system to achieve automatic parking lot operations by improving functions such as online customer support, parking fee payment management, electronic invoice and unmanned car park, etc.; (b) a vehicle operation system to provide real-time information on vehicle operators, vehicles, road conditions, and working environment, enabling remote oversight on sanitation trucks; (c) a flexible staffing system for efficient allocation of workforces to meet random and temporary requirements in relation to any improvised tasks based on project and skill needs and (d) a membership system for customers in malls, parking lots, and the other properties under our management;
 - (iii) approximately [REDACTED]%, or HK\$[REDACTED] million will be allocated to develop device connection systems. These systems will link facilities and devices. They will also automate tasks such as energy consumption management, building interior environment surveillance, security surveillance, predictive maintenance, real-time data collections on buildings, prediction on future conditions of the buildings with the current available data etc.; and
 - (iv) approximately [REDACTED]%, or HK\$[REDACTED] million will be allocated to recruit engineers for software development and maintenance. Specifically, we plan to recruit one software engineer to conduct data and research analysis and one operation specialist to be responsible for the daily maintenance, system monitoring and fault handling, etc.

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- approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used for continuing to recruit talents and improve employee trainings to support our sustainable business development. We plan to take various initiatives to attract and cultivate talents in the industry with diverse backgrounds and skill sets and optimize training programs and provide development opportunities:
 - (i) approximately [REDACTED]%, or HK\$[REDACTED] million will be allocated to expand our dedicated team with diversified backgrounds in order to strengthen the competitiveness of our workforce. For details, please refer to the paragraph headed “– [REDACTED] – Recruitment Plans and Allocation of Labor Costs” in this section; and
 - (ii) approximately [REDACTED]%, or HK\$[REDACTED] million will be allocated to optimize talent training programs, such as onboarding training program, professional skills training program and leadership development program. Such training programs will be in place to enhance their professional skills, service efficiency, work performance and employee satisfaction.
- approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used for working capital and other general corporate purposes.

Major categories	Percentage of total	Amount of	Sub-categories	Percentage of total	Time frame				
	[REDACTED] (%)	[REDACTED] (HK\$ in millions)		[REDACTED] (%)	2024	2025	2026	2027	
Strategic acquisitions	[REDACTED]	[REDACTED]	Strategic acquisitions of property management service providers specializing in professional services and urban service providers with relevant operation experience and required qualifications	[REDACTED]	Target to complete the acquisitions by December 31, 2025				
Purchase of vehicles and equipment	[REDACTED]	[REDACTED]	(i) Purchase operational vehicles for municipal sanitation services	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	–
			(ii) Procure operational vehicles and equipment for lighting system operation services	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	–	–

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Major categories	Percentage of total	Amount of	Sub-categories	Percentage of total	Time frame			
	[REDACTED] (%)	[REDACTED] (HK\$ in millions)		[REDACTED] (%)	2024	2025	2026	2027
Technological investment	[REDACTED]	[REDACTED]	(i) Develop and optimize the internal management information system	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
			(ii) Develop and enhance business operating systems	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
			(iii) Develop device connection systems	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
			(iv) Recruit engineers for software development and maintenance	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Talent training and retention	[REDACTED]	[REDACTED]	(i) Expand our dedicated team	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
			(ii) Optimize talent training programs	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Working capital	[REDACTED]	[REDACTED]	–	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Plans for Strategic Acquisitions

While we expect to retain our growth, we believe we are well equipped with sufficient industry expertise and experience as well as well-established market position for a quick expansion through investment and acquisition.

We had not identified any specific targets as of the Latest Practicable Date. We will continue to track potential acquisition opportunities from the perspective of scale, operation status, financial performance and position, ownership structure and compliance history, etc. After identifying a suitable target, we will integrate such target with our existing business in a prudent approach to make sure such acquisition are beneficial to the long-term vitality of our business and operations. Shall the net [REDACTED] be insufficient for our acquisition plans, we will utilize our internal funds.

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Criteria for Strategic Acquisitions

We plan to prioritize the acquisition of one to four companies located in Hunan Province, Jiangxi Province, and Guizhou Province as such provinces are in our strategic business expansion plan. We also plan the acquisition in regions where the company are more complementary to our business. Our targets include the downstream property management service providers and urban service providers. We expect to consider a variety of factors when selecting potential targets:

- in respect of the downstream property management service providers, we would prefer those (a) specializing in security, cleaning, electromechanical repair and maintenance services, etc.; (b) with all required qualifications for carrying out the relevant business; (c) with certain business scale and market competitiveness advantages with growth potential, especially resources and performance in hospitals, schools and office buildings; (d) with a considerable brand awareness and good corporate credit among customers and industry; (e) with an annual revenue of at least RMB5.0 million for the most recent financial year; and (f) with a net profit margin of above 10% for the most recent financial year.
- in respect of urban service providers, we would prefer those (a) specializing in parking lot operation with asset-light operating model, downstream services of lighting system operation, as well as landscaping and engineering services providers with operational and management experiences; (b) with relevant qualifications, especially, the general contracting on municipal public utility construction engineering qualification (Level 1) (市政公用工程施工總承包資質(壹級)), the professional contracting on city and road lighting engineering qualification (Level 2) (城市及道路照明工程專業承包資質(貳級)), the professional contracting on power transmission and transformation engineering qualification (Level 2) (送變電工程專業承包企業資質(貳級)), the professional contracting on electronic and intelligent engineering qualification (Level 2) (電子與智能化工程專業承包資質(貳級)), licenses for undertaking installation (repair, testing) of electric power facilities (承裝(修、試)電力設施許可證), the general contracting on construction management of communication engineering qualification (Level 2) (通信工程施工管理總承包資質(貳級)), the general contracting on construction of electrical and mechanical engineering qualification (Level 2) (機電工程施工總承包資質(貳級)), the general contracting on electrical engineering qualification (Level 2) (電力工程總承包資質(貳級)), and the special qualification for lighting engineering design (Class B) (照明工程設計專項資質(乙級)); (c) with a certain business scale or experience, including parking lot operation companies should operate and manage over 3,000 parking spaces; and landscaping and engineering services providers should have completed at least three projects in the past three years, with the total contract value of not less than RMB200.0 million; and (d) with a net profit not less than RMB2.0 million or a net profit margin of above 10% for the most recent financial year.

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Our Directors believe that our criteria for strategic acquisitions are in line with the industry practice.

Implementation of Acquisition Plan

The property management services, urban services and commercial operation services markets in the PRC are fragmented and highly competitive. For details, please refer to the sections headed “Industry Overview – The PRC Property Management Services Market” and “Industry Overview – The PRC Urban Services Market” in this document. According to CIA, there are more than 10,000 property management service providers specializing in services such as cleaning, security, electric and mechanical repair and maintenance services in Hunan Province, Jiangxi Province and Guizhou Province and more than 6,000 qualified urban service providers specialized in landscaping and engineering, lighting system operation, parking lot operation, and municipal sanitation services in these provinces. As of December 31, 2023, there were approximately 140 downstream property management service providers and 70 urban service providers that meet our investment and acquisition criteria and were not affiliated with property developers in China. Therefore, while we face competition from other market participants for quality target companies, our Directors believe that there are sufficient potential targets that meet our acquisition criteria.

In addition, as an SOE, we believe that we are in an advantageous position to better consolidate our resources and service portfolio in Hunan Province. As an SOE in Hunan Province, our operational experience provides us with an advantage in acquiring relevant companies. Furthermore, our state-owned background enables us to maintain strong relationships with local governments and other SOEs, which in turn facilitates project expansion and corporate acquisitions of other companies. While we continue our internal growth, we believe that we will be able to identify and acquire suitable potential targets to strengthen our geographical presence and increase our market share, and that the expanded business scale will further reduce our overall management costs and enhance our profitability. During the Track Record Period, we have continued to develop our property management services and, with the support of the CSUD Group and our efforts to develop Independent Third Parties customers, our urban services have become a key component of our revenue resources, paving the way for our long-term growth.

According to CIA, there is an increasing trend in market concentration and business consolidation within the property management sector in China. From 2017 to 2022, the aggregate GFA under management of the Top 100 Property Management Companies in China ranked by CIA increased from approximately 31.6 million sq.m. to approximately 64.0 million sq.m., representing market shares in terms of GFA under management of 32.4% and 49.1%, respectively. As the property management sector is undergoing consolidation at an accelerating pace, the gap between property management companies is widening. Those leading national and regional property management companies with larger scale, stronger operational capabilities, more abundant capital, and higher brand recognition are gaining increasingly distinct advantages over other companies within the industry. Our Directors believe that, as one of the top three property management companies headquartered in Hunan Province in terms of

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revenue and GFA under management in Hunan Province, our Company will benefit from the trend of increasing market concentration and business consolidation in the property management sector in the process of implementation of our acquisition plan. For details of the ranking information, please refer to the section headed “Industry Overview – Competition” in this document. Based on the market consolidation trend, our market position and brand, and the efforts of our management, our Directors consider our plan to allocate such [REDACTED] for potential acquisitions to be feasible. Although there are companies affiliated with property developers with regional market strongholds, a sizable portion of property management companies which do not have a background in real estate development may still be our potential targets. However, there is no assurance that we will be able to successfully implement our acquisition plan. For details, please refer to the section headed “Risk Factors – Risks Relating to Our Business and Industry – Our expansion into new geographical markets presents certain risks and uncertainties” and “Risk Factors – Risks Relating to Our Business and Industry – Our future acquisitions or investments in other companies may not achieve the desired benefits and we may face difficulties in integrating acquired operations with our existing operations” in this document.

A certain number of our Directors and core employees have financial, investment and legal skills and caliber to carry out market research, feasibility study and financial analysis for potential acquisition and cooperation targets. Meanwhile, a number of the directors and senior managers of the Company and its various subsidiaries have experience on merger and acquisition activities undertaken in their previous and current careers. We conduct research on potential targets by the factors of scale, operation status, financial performance and position, ownership structure and compliance history, etc. We also intend to form a professional acquisition team with our above-mentioned personnel. Accordingly, as a starting point for our strategic acquisition, we intend to prioritize the acquisition of the targets with substantial operation in the Hunan, Jiangxi and Guizhou Provinces. In view of our established market position and industry experience, favorable policies, collaborative advantages from cooperation with CSUD Group, as well as the efforts of our business development team, we believe that we are likely to find suitable targets for our acquisition and investment plan that will enable us to implement our acquisition and investment strategies successfully.

Given (i) the availability of suitable acquisition and cooperation target companies in the PRC market, specifically in the Hunan Province, Jiangxi Province and Guizhou Province, (ii) our Company’s status as an SOE which provides property management service, urban service and commercial operation service grants us an advantage to attract small-and-medium-sized companies to join us, (iii) our experiences in providing urban service to customers help us better understand the customers’ needs, (iv) Changsha’s demand for urban services attracts small-and-medium-sized urban service providers to provide services in the city, thus enabling us to approach suitable targets with ease of access, and (v) the above-mentioned professional acquisition team to be formed, we believe we are able to identify suitable acquisition and cooperation targets in the selected regions we plan to expand into.

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If our future acquisition and investment plan cannot materialize, we will (i) continue identifying new acquisition targets; (ii) continue obtaining engagements from new customers through improving our service quality and enhancing our brand recognition in order to expand our market share; and (iii) continue maintaining our relationships with existing customers in order to secure new engagements.

Valuation Basis

We determine the amount of consideration for a potential target primarily by referring to factors like comparable companies’ price-earnings ratios and the target’s net profit in the most recent financial year. We may adjust our final [REDACTED] on the basis of the target’s size, qualifications, geographic coverage, customer satisfaction, results of operations, financial performance, market share, growth potential, brand image, competitiveness and legal compliance status. In the event that the net [REDACTED] received from the [REDACTED] are insufficient to cover necessary capital expenditures, we intend to use our internal funds.

Technological Investment Plans

Developing our own systems is to (i) bolster our core competitiveness with the collaborative advantages created by the systems mentioned below; (ii) tailor to our specific business needs with a more suitable and responsive system; (iii) respond promptly and update at any time; and (iv) strengthen data security and stability by full control and ownership of our system. Following are the details of each technological investment plan:

Internal Management Information System

This system will be used for business contract signing approvals, receiving project revenue online, and work order distribution, etc. Through this system, our information processing of accounting, business, operation will be streamlined, thus assisting our senior management to make informed decisions. During the Track Record Period, we have commissioned a professional company to develop software to implement our basic managerial framework and functionalities. In 2024, we expect to optimize and integrate the internal management information system with the market management, risk control management, and operational management functionalities. The internal management information system is expected to be completed by the end of 2025.

Business Operating Systems

To coordinate various operational businesses, we are developing the business operating systems, and we have commissioned third parties to carry out the development of three systems, including (i) smart parking system, (ii) vehicle operation system, and (iii) flexible staffing system. In the future, we also intend to develop a membership system for customers.

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To resolve our imminent need to develop a series of tailor-made software in response to our business requirements, we entrusted the development of our smart parking system to Hunan Chengfa Smart Weitong Technology Co., Ltd. (湖南城發智慧維通科技有限公司), a professional developer of electronic parking systems, which had empowered us in using smart parking systems in our existing parking lot operation business during the Track Record Period. The entrustment helps the system developer to be familiar with our business and management, which enables them to develop systems that meet our needs within a short timeframe.

For example, the smart parking system could help us better manage customer data and improve our operational efficiency through unified management of records such as vehicle entry and exit records, customer payment records, and whitelists which are used to record the license plate numbers of our regular customers.

Device Connection Systems

We plan to build device connection systems in different phases that will link facilities and devices such as vehicle navigation terminals, water and electricity systems, fire hose systems, and elevators, which enable us to oversee these facilities and devices as a whole, thus making us capable to promptly respond to urban service requests. These systems will also automate tasks such as energy consumption management, real-time oversight on buildings, etc., enabling us to maintain the urban service facilities and devices, and buildings in good conditions. We will continue to develop the device connection systems and extend its reach to urban infrastructures such as bridges, tunnels, lighting, gardens, and underground pipelines.

For example, the device connection systems will help us in overseeing electricity distribution parameters such as temperature, humidity and voltage. In the event that electricity distribution device encounters short-circuit or other malfunctions, these systems will notify us on time and we will promptly dispatch rescue teams to repair the device.

The intended use of net [REDACTED] for technological investment is based on the projected total cost of purchases and upgrades, which includes (a) labor costs for development and upgrades, (b) third-party service fees such as fees payable for servers and cloud databases, and (c) costs for purchasing software and hardware equipment. The expected costs of purchases and upgrades is estimated based on current quotations obtained from potential suppliers or publicly available market prices. The reason for the higher initial costs is primarily due to the substantial investment required for purchasing and upgrading finished software and hardware equipment. These upfront costs are necessary to establish a solid foundation for the information technology system and ensure its efficient operation.

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Operational Vehicles and Equipment Purchasing Plans

For the municipal sanitation services sector, we mainly rely on machine cleaning, supplemented with manual labor. The machinery mainly works on the main road and auxiliary road of the carriageway, and the sanitation workers mainly clean on the sidewalk and the sanitary blind spots. As of the Latest Practicable Date, machine cleaning has not fully covered the whole operable areas.

For the lighting system operation services sector, the maintenance and operation of city lighting services involve outdoor work that covers a wide range of areas, with equipment spread out across different locations. We currently allocate streetlight maintenance projects into eight zones, each of which is equipped with at least one aerial work truck. As of the Latest Practicable Date, we deployed nine aerial work trucks. For the night scene lighting projects, we primarily deploy five engineering vehicles to conduct inspections and maintenance separately in the mountainous areas, parks, and the riversides.

Most of the vehicles operate throughout the years, except in severe weather conditions. To ensure the safety and reliability, all kinds of vehicles of our Group have a cap for daily operation time. If we extend our vehicles operation hours, we will be prone to several issues, including (i) increased maintenance and repair needs; and (ii) prolonged work hours resulting in operators’ fatigue, and reductions in their productivity and concentration levels, thus making us more vulnerable to accidents and errors.

For municipal sanitation service, our customers typically require us to assign our operation vehicles on specified projects (normally such requirement are prescribed in the bidding documents and subsequent binding contracts) and oversee the assigned vehicles through means such as the global positioning system. Such exclusive use barred us from re-assigning each assigned vehicles for other existing projects or for new projects, even if the assigned vehicles are capable to undertake more projects. Going forward, we plan to pursue more municipal sanitation projects, which will increase our demand for new vehicles.

Likewise, for lighting operation service, although our vehicles are assigned to a single project only, this project spans all the five districts of Changsha. We anticipate further growths in our lighting operation business which will increase our demand for more engineering vehicles.

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The following table sets forth the number and utilization rate of our existing operational vehicles and equipment as of the Latest Practicable Date:

Category	Number	Utilization Scenarios	Operation Hours	Utilization Rate ⁽¹⁾
Municipal Sanitation Services				
Washer and Sweeping Vehicle	11	Utilized for sweeping and washing road surfaces, especially dirty areas thereof.	To avoid daily peak traffics, they typically operate from 1:00 a.m. to 6:00 a.m., with a daily average of five operating hours.	83%
Sprinkler Vehicle	28	Utilized for road surface cleaning and sprinkling.	They run in two shifts: night (between 0:00 a.m. and 5:00 a.m.) and daytime (between 7:30 a.m. and 5:00 p.m.), with a daily average of six to 14 operating hours.	75%-175%
Road Maintenance Vehicle	Six	Utilized for in-depth cleaning and maintenance of various road components, such as sidewalks, non-motorized lanes, road markings, curbstones, oil stains, and side ditches.	They operate between 9:00 a.m. and 2:00 p.m., with a daily average of five operating hours.	83%
Garbage Truck	Three	Utilized for domestic waste collections and transfers within our service spheres.	They primarily operate between 11:00 p.m. and 5:00 a.m. with a daily average of six operating hours.	100%
Guardrail Cleaning Vehicle	One	Utilized road guardrail cleaning.	They typically function between 11:00 p.m. and 5:00 a.m., with a daily average of six operating hours.	100%
Patrol Vehicle	Four	Utilized for patrolling and inspecting road quality and safety, as well as handling emergencies.	They typically operate on regular and ad-hoc basis.	n/a ⁽²⁾

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Category	Number	Utilization Scenarios	Operation Hours	Utilization Rate ⁽¹⁾
Lighting System				
Operation Services				
Aerial Work Truck	Nine	Utilized for nighttime street light repairs.	They typically operate between 5:00 p.m. and 1:00 a.m., with a daily average of eight operating hours.	100%
Engineering Vehicle	Five ⁽³⁾	Utilized for conducting repair and maintenance tasks on bridge, mountain, and building lighting projects under our management.	They typically operate nighttime maintenance (between 6:30 p.m. and 10:30 p.m.) and daytime tasks (between 8:30 a.m. and 6:30 p.m.) with a midday break from 11:30 a.m. to 1:30 p.m., with a daily average of twelve operating hours.	100%

Note:

- (1) Utilization rate refers to a percentage ratio that equals (a) average contractually obliged and/or actual operation hours of each category of vehicles as set out in this table, divided by (b) estimated average operating hours of the same category of vehicles in accordance with industry common practices as estimated by the Company, and multiplied by 100.0%.
- (2) Estimated average operating hours of the same category of vehicles in accordance with industry common practices as estimated by us is not applicable to patrol vehicles.
- (3) Out of five, we owned two vehicles and rented three vehicles.

To the best knowledge of our Directors, during the Track Record Period and up until the Latest Practicable Date, our vehicles listed above were generally highly or fully utilized during operation hours. Such utilization rate necessitates our further vehicles procurement demands in anticipation of our future business developments and phasing out of our existing vehicles.

The Directors are of the view that procurement and ownership of operational vehicles will save our overall costs and expenses in the long run. As of the Latest Practicable Date, the vehicles we rented were limited to engineering vehicles. The analysis below focuses exclusively on the engineering vehicles.

As of the Latest Practicable Date, we rented three engineering vehicles, incurring a total annual rent expense of RMB71.8 thousand or RMB23.9 thousand per vehicle. The prevailing purchase price of an engineering vehicle used in night scenery illumination is estimated at RMB46.6 thousand, with an estimated average annual maintenance, insurance, inspection, repair and ancillary fee of RMB7.9 thousand per vehicle per year. Calculated on the basis of ten-year operation life and full depreciation, the annualized cost and expense for owning each such vehicle would be RMB12.6 thousand, which is RMB11.3 thousand lower than a rented vehicle of the same caliber annually. Therefore, purchasing and owning three engineering vehicles would result in an estimated savings of RMB33.9 thousand as compared with renting the same on an annual basis.

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Set forth below is a breakdown of estimated costs of each type of vehicles and equipment:

Category	Number	Unit purchase cost <i>(RMB'000)</i>	Function and purpose
Municipal Sanitation Services			
Washer and sweeping vehicle	[REDACTED]	[REDACTED]	For cleaning road surfaces and performing sprinkling operations.
Washer vehicles	[REDACTED]	[REDACTED]	
Sprinkler vehicle	[REDACTED]	[REDACTED]	
Quick cleaning vehicle (electric with lead accumulator)	[REDACTED]	[REDACTED]	
Road maintenance vehicle	[REDACTED]	[REDACTED]	For deep cleaning and maintenance of sidewalks, non-motorized vehicle lanes, road markings, curbstones, oil stains, and ditches.
Patrol vehicle	[REDACTED]	[REDACTED]	For inspecting road quality and safety, as well as handling emergencies.
Tool vehicle	[REDACTED]	[REDACTED]	For handling tools.
Garbage truck	[REDACTED]	[REDACTED]	For collecting and transferring domestic waste.
Lighting System Operation Services			
Engineering vehicle I	[REDACTED]	[REDACTED]	For night inspection of street lights, monthly assessment and on-site fault diagnosis.
Engineering vehicle II	[REDACTED]	[REDACTED]	For night scene lighting, monthly assessment and on-site fault diagnosis.
Generator (6-10KW)	[REDACTED]	[REDACTED]	For providing emergency power to the equipment room.

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Recruitment Plans and Allocation of Labor Costs

Positions	Business Need	Preferred qualification and/or experience	Number of recruitment	Estimated average salary	Time frame			
				per person annum (RMB'000)	2024	2025	2026	2027
Investment and securities affairs personnel	Handling of investment and securities issues	Bachelor’s degree or above, with at least 5 years of relevant experience in investment or securities affairs	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Marketing personnel	Support to the expansion of urban services and other related offerings	Bachelor’s degree or above, with at least 5 years of relevant experience in market expansion	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Administrative personnel	Enhancement of hiring process	Bachelor’s degree or above, with at least 4 years of relevant experience in administration	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Operation management personnel	Backup support to provide assurance of smooth operation	College degree or above, with at least 7 years of relevant experience in quality management	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Project manager	Management of projects undertaken during the expansion phase	Junior college degree or above, with at least 7 years of relevant experience in project management	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total			[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

⁽¹⁾ The number of people is cumulative, as years go on.

In light of the new demands arising from our business expansion and the [REDACTED], we recognize the importance of securing the necessary personnel to ensure our future growth. To this end, we have formulated a comprehensive hiring plan as outlined above.

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Basis and Assumptions

Our future plans and business strategies are based on the following general assumptions:

- There will be no material change in the funding requirement for each of our future plans described in this document from the amount as estimated by our Directors;
- we will have sufficient financial resources to meet the planned capital expenditures and business development requirements during the period to which our future plans relate;
- the [REDACTED] will be completed in accordance with and as described in the section entitled “Structure of the [REDACTED]” in this document;
- there will be no material changes in existing accounting policies from those stated in the audited consolidated financial statements of our Group for the Track Record Period;
- our operations, including our future plans, will not be interrupted by any force majeure, unforeseeable factors, extraordinary items or economic changes in respect of inflation, interest rate and tax rate in the PRC and elsewhere;
- there will be no material changes in the bases or rates of taxation applicable to our activities;
- we will not be materially affected by the risk factors as set out in the section headed “Risk Factors” in this document;
- we will continue our operation, including but not limited to retaining our key staff and maintaining our customers, suppliers and subcontractors in the same manner as we did during the Track Record Period;
- there will be no material changes in existing laws and regulations or other governmental policies relating to our Group and our business or in the political or market conditions in which we operate; and
- there will be no epidemics or disasters, natural, political or otherwise, which would materially disrupt our businesses or operations.

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

FUTURE PLANS AND [REDACTED]

To the extent that the net [REDACTED] are insufficient to fund the purposes set out above, we intend to finance the balance mainly through cash generated from operations, bank loans and other borrowings. To the extent that the net [REDACTED] are not immediately applied to the above purposes and to the extent permitted by the relevant laws and regulations, we will only deposit such funds in short-term interest-bearing accounts at licensed commercial banks and/or authorized financial institutions (as defined under the SFO and the relevant applicable laws in the relevant jurisdictions for non-Hong Kong based deposits) as long as it is deemed to be in our best interests. If there is any material change to the above-proposed [REDACTED], we will issue an appropriate announcement.

We have undertaken to CSRC that we will not apply any of the [REDACTED] from the [REDACTED] to projects related to real estate development. Our Controlling Shareholders have covenanted to CSRC that they have taken, and will continue to take, all necessary measures to ensure that none of our [REDACTED] from the [REDACTED] will be used in any projects related to real estate development.