FUTURE PLANS AND [REDACTED]

FUTURE PLANS

Our mission is to become a globally recognised IDC solution service and edge computing service provider, making the world a better place. We intend to enhance our existing service quality by improving Internet speed and expanding our service offerings to our clients. We intend to achieve these through our growth strategies. For details, please refer to the paragraph headed "Business — Our Strategies" in this document.

[REDACTED]

The following table sets forth the estimate of [REDACTED] from the [REDACTED] which we are expected to receive after the deduction of [REDACTED] and other estimated expenses which may be payable by us in connection with the [REDACTED]:

	Assuming the [REDACTED] is not exercised	Assuming the [REDACTED] is fully exercised
	(in millions of Hong Kong dollars)	
Assuming an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] range stated in this document)	[REDACTED]	[REDACTED]
Assuming an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the high-end of the [REDACTED] range stated in this document)	[REDACTED]	[REDACTED]
Assuming an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the low-end of the [REDACTED] range stated in this document)	[REDACTED]	[REDACTED]

We estimate that we will receive [REDACTED] of HK$[REDACTED] million from [REDACTED] after deducting the [REDACTED] and other estimated expenses in connection with the [REDACTED], assuming an [REDACTED] of HK$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] ranged from HK$[REDACTED] to HK$[REDACTED] per Share) and the [REDACTED] is not exercised. In line with our strategies, we intend to use our [REDACTED] from the [REDACTED] over the next three years for the purposes and in the amounts set forth below:

Existing business improvement and operation development

We intend to continue to solidify, bolster the relationships and deepen our partnerships with our existing clients. We will continue to satisfy our lead cloud computing company and Internet company clients' growing needs and expand our service offerings.

FUTURE PLANS AND [REDACTED]

● Approximately [REDACTED]%, or HK$[REDACTED] million of the [REDACTED] will be used to invest in various technologies to improve our service quality and enhance operational efficiency. In particular,

(i) we plan to use [REDACTED]%, or HK$[REDACTED] million of the [REDACTED] to purchase various hardware and equipment, including but not limited to routers, ethernet switches, to maintain network traffic stability in various locations where our IDC Solution Services and Edge Computing Services are operated. In addition, we intend to use the above tools to build up multiple redundant routers, switches and an automatic fallover and recovery system to further enhance our service quality and operational efficiency;

(ii) we plan to use [REDACTED]%, or HK$[REDACTED] million of the [REDACTED] to purchase and install bare-metal servers (the "**BMS**"), in various locations where our IDC Solution Services operate. BMS are physical computer servers used by one consumer or tenant only, and they provide stronger isolation, efficiency, security and flexibility compared to traditional cloud servers. We used them to (i) overcome the challenges of overloaded tenants during peak loads, reduce defects, enhance security and privacy, and allow our clients to use our services as needed; (ii) provide efficiency level by subjecting the servers less to defects frequently appearing in shared hardware operation; (iii) achieve higher security and privacy by separating physically the BMS from other cloud servers, making influence from unwelcome attackers and covert channels impractical; and (iv) attain higher flexibility by allowing our clients and their customers to use our services in the amount at the time needed by them.

In addition to enhancing the aforementioned operational efficiency and effectiveness of our IDC Solution Services, BMS can be used interchangeably as the edge node server for our Edge Computing Services under the brand of *Lingjing Cloud*. It can improve our self-built EdgeCDN system, which will optimise our clients' content delivery, enhance reliability of network traffic, ensure data security and reduce bandwidth expenses.

The BMS will be installed as specially-configured edge servers and storage servers for intermediate storage systems at various planned CDN locations across the nation, bypassing the need to have access to central servers of our data centre resource providers.

The BMS will be installed in the following provincial capitals or more economically developed cities of the following:

a. eastern part of China, including Shandong Province: [REDACTED]% or HK$[REDACTED] million; and

b. northern and north-eastern parts of China, including Hebei Province, Shanxi Province, Heilongjiang Province and Liaoning Province and the Inner Mongolia: [REDACTED]% or HK$[REDACTED] million;

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    c.   southern and central parts of China, including Henan Province, Guangdong Province, Guangxi Province, Hubei Province and Hunan Province: [REDACTED]% or HK$[REDACTED] million; and

    d.   south-western and north-western parts of China, including Qinghai Province, Gansu Province, Shaanxi Province, Ningxia Province, Yunnan Province, Guizhou Province, Sichuan Province and the direct-administered municipality of Chongqing: [REDACTED]% or HK$[REDACTED] million; and

Our Group considers the [REDACTED] allocation of the BMS and the sub-allocation to different provinces on the following basis:

— the locations where our existing clients of our IDC Solution Services demand our IDC Solution Services, such as the Shandong Province;

— potential locations where our existing clients used to express their plan and willingness to have presence;

— the attraction of the potential locations or nodes in terms of operation cost; and

— the potential that the locations would become a site which could accommodate our IDC Solution Services and Edge Computing Services interchangeably.

(iii) we plan to use [REDACTED]%, or HK$[REDACTED] million of the [REDACTED] to upgrade our office in Wuxi and Hangzhou. This includes purchasing additional office equipment and software to support our overall expansion in operation.

Comprehensive implementation and upgrade of our *Lingjing Cloud*

- Approximately [REDACTED]%, or HK$[REDACTED] million of the [REDACTED] will be used to enhance our *Lingjing Cloud* capabilities by developing our edge computing infrastructure. This will increase the streaming and downloading speed of websites, short videos and photographic content. Our plan is to expand our Edge Computing Services, including our EdgeCDN Services and EdgeAIoT Services, into new and rural territories by establishing edge computing infrastructure in prefecture-level cities or administrative districts and counties of the PRC (the "**Lower-tier Region Network Strategy Infrastructure**"), which will be installed in:

    a.   eastern part of China, including Shanghai, Jiangsu Province, Zhejiang Province, Anhui Province, Shandong Province and Fujian Province: [REDACTED]% or HK$[REDACTED] million;

    b.   southern part of China, including Guangdong Province, Guangxi Province and Hainan Province: [REDACTED]% or HK$[REDACTED] million;

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c. northern part of China, including Beijing, Tianjin, Hebei Province, Shanxi Province and Inner Mongolia: [REDACTED]% or HK$[REDACTED] million;

d. central part of China, including Henan Province, Hubei Province, Hunan Province and Jiangxi Province: [REDACTED]% or HK$[REDACTED] million;

e. north-eastern part of China, including Liaoning Province, Jilin Province and Heilongjiang Province: [REDACTED]% or HK$[REDACTED] million;

f. south-western part of China, including Sichuan Province, Guizhou Province, Yunnan Province, Chongqing and the Tibet Autonomous Region: [REDACTED]% or HK$[REDACTED] million; and

g. north-western part of China, including Shaanxi Province, Gansu Province, Qinghai Province, Ningxia Province and Xinjiang Uygur Autonomous Region: [REDACTED]% or HK$[REDACTED] million.

This will allow our clients and their customers to develop, run and manage application functionalities without the complexity of building and maintaining the associated infrastructure. In particular, we will purchase and install specially-configured edge servers and storage servers and network for the setup of the infrastructure of *Lingjing Cloud*; and acquire more effective, secure, specialised and stable servers and hardware for system design, networking, database and security and expanding our *Lingjing Cloud* locations. While the hardware devices for the edge computing infrastructure can be used to complement the BMS, our Directors envision hardware and BMS under the edge computing infrastructure will be utilised independently in order to provide more comprehensive product lines and better quality of services.

Based on our feasibility study of the Lower-tier Region Network Strategy, our Directors believe there is sufficient market demand and growth potential in support of our investment in lower-tier regions. The table below sets out the market size of edge computing in the PRC and in lower-tier cities in the PRC respectively at the end of 2022, as compared to the expected market demand after the completion of our expansion plan.

	FY2022	FY2027E	CAGR
	RMB billion	*RMB billion*	*%*
The market size of edge computing in the PRC	54.2	250.9	35.9
The market size of edge computing in lower-tier cities in the PRC	31.4	165.6	39.5

The majority of the growth in China's mobile Internet comes from traffic in the lower-tier markets, with significant contributions from the car services, news information, and financial management industries in the lower-tier markets, reaching contribution rates of 129.4%, 82.0%, and

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77.0%, respectively in 2022. Our Directors believe the growth of Edge Computing Services in the lower-tier markets, with its application in security and medical monitoring, autonomous driving, video conference and IoT which requires computation performing on-site or near data sources in lower-tier cities, will continue to be a growth engine of the Internet industry in the PRC.

During the Track Record Period, we started to utilise our newly established edge computing infrastructure to provide our Edge Computing Services. Since the competitive landscape of the edge computing service market is highly fragmented, with none of the players having a market share exceeding 10%, the projection of our market share, despite rising, may still be small. However, it is expected that the period between 2023 to 2027 will be a fast-growing period of Internet penetration rate in the PRC, especially in the lower-tier cities in the PRC. The following table sets out the growth potential of our Edge Computing Services operation under the Lower-tier Region Network Strategy:

	FY2022	FY2027E
	%	%
Internet penetration rate of the PRC	75.6	90.0
Internet penetration rate in the lower-tier cities	61.9	82.0
Our Group's share of the edge computing market in eastern part of China, including Shanghai, Jiangsu Province, Zhejiang Province, Anhui Province, Shandong Province and Fujian Province	0.03	0.46
Our Group's share of the edge computing market in southern part of China, including Guangdong Province, Guangxi Province and Hainan Province	—	0.66
Our Group's share of the edge computing market in northern part of China, including Beijing, Tianjin, Hebei Province, Shanxi Province and Inner Mongolia	—	0.68
Our Group's share of the edge computing market in central part of China, including Henan Province, Hubei Province, Hunan Province and Jiangxi Province	—	0.58
Our Group's share of the edge computing market in north-eastern part of China, including Liaoning Province, Jilin Province and Heilongjiang Province	—	1.20

FUTURE PLANS AND [REDACTED]

	FY2022	FY2027E
	%	%
Our Group's share of the edge computing market in south-western part of China, including Sichuan Province, Guizhou Province, Yunnan Province, Chongqing and the Tibet Autonomous Region	—	0.74
Our Group's share of the edge computing market in north-western part of China, including Shaanxi Province, Gansu Province, Qinghai Province, Ningxia Province and Xinjiang Uygur Autonomous Region	—	0.81

Note: the market share is arrived at by the amount of forecast revenue in the relevant regions divided by the estimated total market size of the edge computing market in the corresponding regions.

Based on the market demand and potential, expanding edge computing services into new and rural territories in the PRC is driven by the increasing user base in lower-tier cities, providing a significant market opportunity for edge computing service providers. By offering edge computing services in those areas, companies can cater to the demand for localised data processing, reduced latency, and improved performance. This expansion can facilitate the growth of the digital economy in these regions and create new business opportunities.

Recruitment talents for IDC Solution Services and Edge Computing Services operations

- Approximately [REDACTED]%, or HK$[REDACTED] million of the [REDACTED] will be used to execute our recruitment plan for the components of the edge computing operation and edge cloud platform. This includes hiring staff for the administration team, streaming operation team, storage team, security team, communications team, service team, sales and marketing team and maintenance team. The staff recruited for the Edge Computing Services operation will be versatile and able to interchangeably take on the role of our IDC Solution Services operation. For detail of our recruitment plan, please refer to the paragraph headed "— Implementation Plans — Recruitment talents for IDC Solution Services and Edge Computing Services operations" of this section.

  Our Directors expect that in the short term, our Group will need to carry out its recruitment plan to implement its business development plan, and the growth rate of staff expenditure may temporarily exceed the growth rate of revenue. As the development of our business segments becomes mature and stable, the number of employees will become stable. Our Directors believe such circumstance is transitional and we envisage that the growth rate of employee expenses will not exceed the growth rate of revenue in the long

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term. Our Directors believe that in the ordinary course of business, our recruitment is demand and business-driven. In addition, based on our traditional prudent practice, it will be unlikely to have over-expansion in the long term.

Cooperation with universities and research institutes for research and development

- Approximately [REDACTED]%, or HK$[REDACTED] million will be used to develop edge computing technology and continue to integrate new technologies into our services to better serve our clients. Our cooperation with these universities, research institutes, technologies and enterprises may include (i) establishment of joint innovation laboratory; (ii) talent training in internship projects; and (iii) inter-enterprise research and technical cooperation. The proposed allocation of [REDACTED] are as follows:

	(i) Establishment of joint innovation laboratory	**(ii) Talent training in internship projects**	**(iii) Inter-enterprise research and technical cooperation**
Details of how each project part to spend the funds raised and execution plan	To establish scientific research facilities and equipment for laboratory experiment, with an area of more than approximately 1,000 square metres	Tailor-made trainings are provided by our Group's mentors or external mentors to the interns	To collaborate research tasks, foster joint development, facilitate technology transfer and share research and development facilities and resources with other enterprises
The target of each project part and the positive impact it will have on our Group's operation	To improve our Group's innovation capability and promote the development of our products and strengthen our Group's competitiveness	To improve employees' abilities and efficiency, stimulate employees' enthusiasm and innovative capability and strengthen our Group's competitiveness	Inter-enterprise research and technical cooperation can utilise the governments' or trade associations' incentive measures. The cooperation will also strengthen ties and understanding among market players
The total approximate amount to be spent and its percentage of the total [REDACTED] allocated for research and development	HK$[REDACTED] million/[REDACTED]%	HK$[REDACTED] million/[REDACTED]%	HK$[REDACTED] million/[REDACTED]%

Our basic cooperation principle is to have common technical and business goals, which include the research, development and commercialisation of edge computing technology, meet the industry-leading technical and business standard and achieve a win-win situation. These collaborations will enable us to accumulate various insights and help us explore new commercialisation opportunities. As at the Latest Practicable Date, we have

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entered into a cooperation agreement with our major supplier and government-funded scientific research institute, based on which our Group and the relevant parties will jointly conduct Metaverse research and development. Our Group has also entered into a cooperation agreement in relation to the construction of Artificial Intelligence and edge computing joint laboratory with Xi'an Jiaotong University, and a cooperation framework agreement on the development and application of an intelligent new energy commercial vehicle with a commercial vehicle manufacturer and a technology company.

Working capital and general corporate purposes

● Approximately [REDACTED]%, or HK$[REDACTED] million will be used for working capital and general corporate purposes.

The table below sets forth the expected implementation timetable of our planned use of our [REDACTED]:

Future plan	Percentage of total [REDACTED]	Estimated timeframe		
		2024	2025	2026
		(Percentage of total [REDACTED])		
Existing business improvement and operation development	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Comprehensive implementation and upgrade our Edge Computing Services	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Recruitment talents for IDC Solution Services and Edge Computing Services operations	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Cooperation with universities and research institutes for research and development	[REDACTED]	To be utilised on an as-needed basis		
Working capital and general corporate purposes	[REDACTED]	To be utilised on an as-needed basis		

The expected use of the [REDACTED] from this [REDACTED] represents our intentions based on our current plans and business conditions. As at the Latest Practicable Date, we cannot predict with certainty all of the particular uses for the [REDACTED] to be received upon the completion of this [REDACTED] or the amounts that we will actually spend on the uses set forth above. The amounts and timing of our actual expenditures may vary significantly depending on numerous factors, including the progress of development efforts, the status of business development

and general economic conditions. As a result, our management will retain broad discretion over the allocation of the [REDACTED] from this [REDACTED] and may change the allocation of use of these [REDACTED] among the uses described above.

IMPLEMENTATION PLANS

Existing business improvement and operation development

Our business plans and commercial rationale

With respect to existing business improvement and operation development, our business plan primarily include (i) the purchase of various hardware and equipment to maintain network traffic stability in various locations where our IDC Solution Services and Edge Computing Services are operated; (ii) the purchase and installation of BMS in various locations where our IDC Solution Services operate; and (iii) the upgrade of our offices in Wuxi and Hangzhou.

It is expected that the purchase of various hardware and equipment and the purchase and installation of BMS will drive our business growth and be translated into sustainable profits going forward in the following ways:

1. As confirmed by the Directors, the IDC solution services in the market mainly consist of two tiers of services: (i) cabinet-type services in which the service providers own and provide usage of equipment and hardware, including servers, switchers and cabinets (collectively, the "**Equipment and Hardware**"), in addition to bandwidth, and (ii) bandwidth-type services in which the service providers do not own the Equipment and Hardware but acquire and provide cabinet usage in addition to bandwidth. During the Track Record Period, the Company's IDC Solution Services were mainly the bandwidth-type services. However, since (i) owning the Equipment and Hardware allows the Company to provide a wider range of products to its existing clients and attract new clients, enhancing its competitiveness, (ii) it is more profitable to provide cabinet-type services; and (iii) the market size of carrier-neutral service providers is expected to maintain a modest-to-high growth rate of 17.2% from 2024 to 2028, our Directors believe that the provision of cabinet-type services, by including provision of Equipment and Hardware will increase our service offerings to our existing clients, who would be willing to accept a higher price for more holistic solutions and will have positive impact on our Group's revenue growth and profit margin as well as the retention rate of our clients in the long run. In addition, the provision of cabinet-type services allows us to attract clients with sizeable businesses. Therefore, the provision of cabinet-type services can further optimise our Group's client structure.

2. BMS is used to (i) overcome the challenges of overloaded tenant during peak loads, reduce defects, enhance security and privacy, and allow our clients to use our services for their needs, (ii) provide a higher level of efficiency by reducing defects that frequently appear in shared hardware operation, (iii) achieve higher level of security and privacy by physical isolation from other cloud servers, making influence from

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unwelcome attackers and covert channels impractical, and (iv) attain higher level of flexibility by allowing our clients and their customers to use our services in the amount at the time they needed. Our Directors believe that the use of BMS will provide stronger isolation, efficiency, security and flexibility compared to traditional cloud servers.

3. Based on the quotation obtained from third-party BMS suppliers, it is expected that purchasing BMS can save costs from additionally purchasing from our suppliers, while at the same time enabling us to have a better control over the performance of such equipment. The provision of BMS by suppliers may not be necessarily available in the desired data centre location as it is purely the suppliers' determination on their geographical deployment. The cost of procurement may fluctuate, resulting in a lack of consistency, certainty and continuity in incorporating BMS into our strategic expansion.

4. Our clients have indicated, either in written form or verbally, the potential significant growth in engagement volume with us, should we be able to provide a more comprehensive cabinet-type services (including BMS, servers, switchers, switch boards, server racks and cabinets in addition to bandwidth), which we believe will increase our clients' loyalty and lead to increase in the number of profitable clients. For example, a total of nine clients indicated through email their bandwidth demand for our EdgeCDN Services and BMS in the range of 20 to 800 Gbps per month should our capacity level be able to reach and BMS be adopted. It would be an estimated additional usage of 4,000 Gbps per month. The clients which indicated such interests contributed a total of RMB214.4 million, RMB246.0 million and RMB240.5 million, representing 46.2%, 44.8% and 34.6% of the total revenue for the three years ended 31 December 2023, respectively. We will also charge additional fee for some of the new offerings.

Our planned timetable

Our plans to purchase various hardware and equipment for our IDC Solution Services and to purchase and install BMS for our IDC Solution Services include (the amount and timing of our expenditures may vary depending on progress of our development efforts, the status of business development and general economic conditions):

Regions, parts of China	Locations of installation	Description	2024 Sets of Server Module/ HKD'000	2025 Sets of Server Module/ HKD'000	2026 Sets of Server Module/ HKD'000
	Installation since 2024				
Eastern	Qingdao branch of Supplier A	Purchase and installation of BMS, servers, switcher and switch board (collectively, the "**Server Module**")	[REDACTED]	[REDACTED]	[REDACTED]
Southern	Guangzhou branch of Supplier A	Purchase and installation of Server Modules	[REDACTED]	[REDACTED]	[REDACTED]

FUTURE PLANS AND [REDACTED]

Regions, parts of China	Locations of installation	Description	2024 Sets of Server Module/ HKD'000	2025 Sets of Server Module/ HKD'000	2026 Sets of Server Module/ HKD'000
Eastern	Jinan branch of Supplier A	Purchase and installation of Server Modules	[REDACTED]	[REDACTED]	[REDACTED]
North-western	Haidong branch of Supplier A	Purchase and installation of Server Modules	[REDACTED]	[REDACTED]	[REDACTED]
North-western	Lanzhou branch of Supplier A	Purchase and installation of Server Modules	[REDACTED]	[REDACTED]	[REDACTED]
North-western	Xi'an branch of Supplier A	Purchase and installation of Server Modules	[REDACTED]	[REDACTED]	[REDACTED]
North-western	Zhongwei (中衛) branch of Supplier A	Purchase and installation of Server Modules	[REDACTED]	[REDACTED]	[REDACTED]
Northern	Hohhot branch of Supplier A	Purchase and installation of Server Modules	[REDACTED]	[REDACTED]	[REDACTED]
Northern	Hohhot branch of Supplier A	Upgrade of switchers	[REDACTED]	[REDACTED]	[REDACTED]
Eastern	Jinan branch of Supplier A	Upgrade of switchers	[REDACTED]	[REDACTED]	[REDACTED]
Northern	Hohhot branch of a state-owned telecommunication carrier Supplier P	Upgrade of switchers	[REDACTED]	[REDACTED]	[REDACTED]
Eastern	Weifang branch of Supplier L	Upgrade of switchers	[REDACTED]	[REDACTED]	[REDACTED]
Installation since 2025					
South-western	Kunming branch of Supplier A	Purchase and installation of Server Modules	[REDACTED]	[REDACTED]	[REDACTED]
South-western	Guiyang branch of Supplier A	Purchase and installation of Server Modules	[REDACTED]	[REDACTED]	[REDACTED]
South-western	Chongqing branch of Supplier A	Purchase and installation of Server Modules	[REDACTED]	[REDACTED]	[REDACTED]
South-western	Chengdu branch of Supplier A	Purchase and installation of Server Modules	[REDACTED]	[REDACTED]	[REDACTED]
Northern	Shijiazhuang branch of Supplier A	Purchase and installation of Server Modules	[REDACTED]	[REDACTED]	[REDACTED]
Central	Wuhan branch of Supplier A	Purchase and installation of Server Modules	[REDACTED]	[REDACTED]	[REDACTED]
Central	Changsha branch of Supplier A	Purchase and installation of Server Modules	[REDACTED]	[REDACTED]	[REDACTED]
Southern	Nanning branch of Supplier A	Purchase and installation of Server Modules	[REDACTED]	[REDACTED]	[REDACTED]
North-eastern	Harbin branch of Supplier A	Purchase and installation of Server Modules	[REDACTED]	[REDACTED]	[REDACTED]
North-eastern	Dalian branch of Supplier A	Purchase and installation of Server Modules	[REDACTED]	[REDACTED]	[REDACTED]
Eastern	Qingdao branch of Supplier A	Upgrade of switchers	[REDACTED]	[REDACTED]	[REDACTED]
Eastern	Weifang branch of Supplier A	Upgrade of switchers	[REDACTED]	[REDACTED]	[REDACTED]
Installation since 2026					
Central	Zhengzhou branch of Supplier A	Purchase and installation of Server Modules	[REDACTED]	[REDACTED]	[REDACTED]
Northern	Taiyuan branch of Supplier A	Purchase and installation of Server Modules	[REDACTED]	[REDACTED]	[REDACTED]

FUTURE PLANS AND [REDACTED]

Regions, parts of China	Locations of installation	Description	2024 Sets of Server Module/ HKD'000	2025 Sets of Server Module/ HKD'000	2026 Sets of Server Module/ HKD'000
Northern	Baotou branch of Supplier A	Purchase and installation of Server Modules	[REDACTED]	[REDACTED]	[REDACTED]
Eastern	Qingdao branch of Supplier L	Purchase and installation of Server Modules	[REDACTED]	[REDACTED]	[REDACTED]
Eastern	Dezhou branch of Supplier L	Purchase and installation of Server Modules	[REDACTED]	[REDACTED]	[REDACTED]
Northern	Hohhot branch of Supplier L	Purchase and installation of Server Modules	[REDACTED]	[REDACTED]	[REDACTED]
Northern	Hohhot branch of Supplier L	Upgrade of switchers	[REDACTED]	[REDACTED]	[REDACTED]
Eastern	Qingdao branch of Supplier L	Upgrade of switchers	[REDACTED]	[REDACTED]	[REDACTED]

— By the end of 2024, we plan to have purchased and installed the Server Modules mainly in the areas of our primary operations including Qingdao, Jinan and Hohhot and certain economically developed areas where we previously had operations including Guangzhou and Xi'an. We expect that by starting the deployment in the areas of our existing operations, we can strengthen and deepen our existing cooperation with our clients and meet their upgraded demand for our services and provide a broad and solid foundation for our Group's experience accumulation.

— By the end of 2025, we plan to have completed the deployment in the provincial capitals of south-western, central and north-eastern regions of China. With the experience accumulated from deploying Server Modules and upgrading switchers in 2024, we have extended our operations to certain economically developed areas of our previous operations during or before the Track Record Period. Upon the completion of this stage, we expect we will have achieved a wider coverage of our operation.

— By the end of 2026, we plan to have extended our coverage further provincial in the central region of China and our cooperation with other state-owned telecommunication carriers other than Supplier A. At this stage, the installation of Server Modules will have been largely completed.

Upgrade of our offices in Wuxi and Hangzhou

In relation to the upgrade of our offices in Wuxi and Hangzhou, we plan to commence the upgrade and enhancement in the fourth quarter in 2024 and expect the enhancement will be completed by the fourth quarter of 2026. The enhanced Wuxi and Hangzhou's office facilities and offices are expected to provide additional office space to support our recruitment plan over the next three years. We believe that our enlarged research and development team would facilitate us to accelerate development and commercialisation of technology under *Lingjing Cloud*. Further, these new staffs could help us address the evolving business need of our clients of our Edge Computing Services.

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Cost and benefit analysis

Our Directors are of the view that (i) the purchase of various hardware and equipment to maintain network traffic stability in various locations where our IDC Solution Services and Edge Computing Services are operated, and (ii) the purchase and installation of BMS in various locations where our IDC Solution Services operate will be beneficial to our business strategy to further expand our business scale and market share on the following analysis:

(i) *Enhancement on our Group's productivity*

The purchase of the desired hardware and equipment to replace the existing ones will be crucial for us to capture the growing demand from the market to increase our Group's revenue. This is consistent with our marketing strategies to expand our sales volume. Equipping ourselves with up-to-date hardware and equipment is fundamental for us to catch up with the ever-evolving technology development in the market.

(ii) *Improvement in our Group's financial performance*

Based on our clients' representations to our Directors, if our IDC Solution Services are provided with our BMS, we can achieve a significant growth of business volume. Our Directors consider the purchase of BMS will serve as another business growth engine for our Group. In addition, cabinet-type services with our Server Modules involve a more comprehensive type of services than the bandwidth-type, resulting in a more entrenched relationship with our clients and enhancing our Group's bargaining power to charge at a much higher rate, thereby improving our business profitability.

(iii) *Reduced reliance on supplier's facilities in the provision of cabinet-type services*

Installing self-owned BMS and other Server Modules enables us to be less subject to the suppliers' geographical deployment of the same and less susceptible to the cost fluctuation. In addition, as we expand our coverage, we could enjoy economies of scale of our investment in the Server Modules and BMS. The wider coverage of our pool of bandwidth locations for our scheduling and allocation can further drive down our average bandwidth cost.

Comprehensive implementation and upgrade of our *Lingjing Cloud*

Our Business plans and commercial rationale

Lingjing Cloud is our Edge Computing Services platform which will become one of our Group's business growth engines. It is expected that the comprehensive implementation and upgrade of our *Lingjing Cloud* will drive our business growth and be translated into sustainable profits going forward in the following ways:

1. Our Edge Computing Services provide an edge computing platform based on our edge computing infrastructure, building multiple servers and automatic failover and recovery system at various planned locations, bypassing the access to central servers of our data

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centre resource providers. This allows our clients and their customers to have a more efficient, secured, reliable and improved user's experience in our Edge Computing Services, including EdgeCDN Services and EdgeAIoT Services. For the year ended 31 December 2023, the gross profit margin under Edge Computing Services amounted to 20.4% compared with 11.9% of IDC Solution Services. Scaling up our Edge Computing Services will have a positive impact on our Group's profitability.

2. As our Group sources packet ports from our suppliers, our operational efficiency determines the utilisation rate of those packet ports, which usually exceeds 100%. After the packet ports have been fully utilised, any further and repeated bandwidth utilisation of packet port is deemed as being "reused". It has been proven that our edge computing infrastructure enhances the reuse rate of the bandwidth usage for our IDC Solution Services, thereby further driving down the average cost of our IDC Solution Services business.

3. The edge computing market is expected to grow rapidly from RMB99.4 billion in 2024 to RMB310.2 billion in 2028, representing a CAGR of 32.9%. It is expected that there will be more business opportunities for edge computing services in the future. In light of such market trend, the development of our Edge Computing Services is necessary for us to maintain competitive edge and we expect to obtain new business opportunities with our upgraded Edge Computing Services. We believe the growth of the edge computing market in China provides us with significant growth headroom to explore new clients. We strive to acquire new clients to grow our client base. We will enhance our sales and marketing efforts to attract new clients and accelerate the construction of our edge computing infrastructure.

4. As mentioned above, our Lower-tier Region Network Strategy Infrastructure will be installed in various regions of China, including locations where we have no/minimal business operations, such as Liaoning Province, Jilin Province and Heilongjiang Province. Nevertheless, we have been proactively expanding our edge computing network and developing our edge computing infrastructure with internal funds on a limited scale since the launch of our Edge Computing Services under the brand of *Lingjing Cloud*. In particular, we have been communicating with our clients regularly and working closely with them to identify their demands for our Edge Computing Services from time to time. Upon receiving the confirmations from our clients, we will arrange for the necessary hardware to be connected to our edge computing network. For example, we have recently extended the coverage of our edge computing network in the north-eastern part of China, including Liaoning Province, Jilin Province and Heilongjiang Province.

5. Despite the lack of sufficient business operations in certain geographical regions during the Track Record Period, our Directors are of the view that there are no material difficulties in expanding our Edge Computing Services into such regions based on the following grounds:

FUTURE PLANS AND [REDACTED]

- Our Group has been accustomed to coordinating data centre resources across different regions in the PRC. Leveraging on our extensive cross-regional network of managed data centres, our presence has been extended across 19 provinces and 38 cities since we first engaged in the provision of IDC Solution Services in 2016. With our previous experience in business expansion and our existing presence in various geographical regions, we do not foresee any material hurdle that inhibits our growth and development in the Edge Computing Services segment.

- We established certain experimental edge computing infrastructure in the Shandong Province in the year ended 31 December 2022. Such infrastructure was designated to be applicable to different regions in the PRC, thereby creating technological and cost advantages of our Group in expanding into different geographical regions of China.

- We recorded a significant growth in the number of edge nodes deployed by us during the Track Record Period. In particular, the number of our edge nodes increased from seven for the year ended 31 December 2022 to 35 for the year ended 31 December 2023.

- Given that (i) our plan is to expand our Edge Computing Services into new and rural territories by establishing edge computing infrastructure in prefecture-level cities or administrative districts and counties of the PRC; and (ii) the Internet penetration rate in low-tier cities is relatively low, a substantial part of the market potential remains unrealised and hence reducing the difficulty for us to expand into such regions.

6. Our Directors are of the view that the current limiting factor of our development in Edge Computing Services remains the capital requirement, which is one of the operational constraints in the industry, considering the amount of investment required for scaling edge computing services. Pursuant to our implementation plans, upon receiving the [REDACTED] from the [REDACTED], we would be able to, among others, (i) establish edge computing infrastructure across different geographical regions of the PRC; (ii) adopt or include the use of BMS to expand the business offerings under our Edge Computing Services; and (iii) recruit various technicians and staff for the operation, maintenance and development of *Lingjing Cloud*. The upgrade of our *Lingjing Cloud* will be beneficial for our constant development on Edge Computing Services, including EdgeCDN Services and EdgeAIoT Services which have generated revenue during the Track Record Period. Notwithstanding the above, we will continue to utilise our currently available internal funds to develop our edge computing network on a limited scale before the [REDACTED].

FUTURE PLANS AND [REDACTED]

Recruitment of talents for IDC Solution Services and Edge Computing Services operations

Our Business plans and commercial rationale

For the development of our *Lingjing Cloud* platform we plan to expand our research and development team through internal referral, recruitment advertisements and school recruitment. These recruitment talents include system development, front-end application development, back-end application development, iOS mobile development, Android mobile development, product management, user interface design and operation management staff, mainly with the academic and working backgrounds in computer science, software engineering or computer related subjects. Our Directors, based on the market knowledge and experiences and after having considered our future plans, particularly our plan to expand our Edge Computing Services business, including our EdgeCDN Services and EdgeAIoT Services, expect that the recruitment of the abovementioned talents or professionals over the next three years as our current workforce is not sufficient to support full implementation.

For the deployment of hardware and equipment for the provision of the cabinet-type services under our IDC Solution Services operation, given the expansion of our operation network, we plan to expand our maintenance team through internal referral and recruitment advertisements. These recruitment talents includes general maintenance, network maintenance and development maintenance staff, mainly with the background of IDC operation and management. Our Directors believe that the abovementioned talents and professionals are necessary to support our geographical expansion of our IDC Solution Services.

During the Track Record Period, our research and development and maintenance staff were mainly responsible for (i) the product development of our Edge Computing Services including the EdgeCDN Services and EdgeAIoT Services which have generated revenue during the Track Record Period as well as certain other services which are under development and are expected to be launched by the second half of 2024, such as the functionalities of storage, security, cloud service and communication services at the edge nodes; and (ii) maintenance, operation and management for our IDC Solution Services.

FUTURE PLANS AND [REDACTED]

The following table sets forth the salary levels and job requirements of the staff of our IDC Solution Services business and Edge Computing Services business that we intend to recruit:

Business segment	Locations	Positions	Roles and functions	Yearly remuneration (RMB'000)	No. of additional employees to be hired in 2024	No. of additional employees to be hired in 2025	No. of additional employees to be hired in 2026	Qualifications and experiences	Reasons for recruiting additional employees for the position
Lingjing Cloud (Edge Computing Services)	Hangzhou	System development (edge computing stream) — expert level	Manage core project development and daily maintenance and development, and lead the construction of testing framework	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Over 5 years experience at system engineering-related industry, bachelor degree or above, proficient in certain development languages	There will be two additional expert level engineers to be hired in 2024 and 2026 after the [REDACTED], chairing their respective team for the system development for edge computing stream, including edge computing infrastructure and edge computing service [REDACTED], as its geographical coverage expands to different additional prefecture-level cities or administrative districts and counties and business scale continues to expand. Currently, there is insufficient number of staff to handle the expansion.
		System development (edge computing stream) — senior level	Manage project development and daily maintenance and development, and participate in the construction of testing framework	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	3–5 years experience at system engineering-related industry, bachelor degree or above, proficient in certain development languages	
		System development (edge computing stream) — intermediate level	Perform project development and daily maintenance and development, handle code review	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Less than 3 years experience at system engineering-related industry, bachelor degree or above, understanding in certain development languages	
	Wuxi	System development (CDN stream) — expert level	Manage core project development and daily maintenance and development, and lead the construction of testing framework	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Over 5 years experience at system engineering-related industry, bachelor degree or above, proficient in certain development languages	There will be two additional two expert level engineers to be hired in 2024 after the [REDACTED], chairing their respective team for the system development for CDN stream, as its geographical coverage expands to different additional prefecture-level cities or administrative districts and counties and business scale continues to expand. Currently, there is insufficient number of staff to handle the expansion.
		System development (CDN stream) — senior level	Manage project development and daily maintenance and development, and participate in the construction of testing framework	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	3–5 years experience at system engineering-related industry, bachelor degree or above, proficient in certain development languages	

FUTURE PLANS AND [REDACTED]

Business segment	Locations	Positions	Roles and functions	Yearly remuneration (RMB'000)	No. of additional employees to be hired in 2024	No. of additional employees to be hired in 2025	No. of additional employees to be hired in 2026	Qualifications and experiences	Reasons for recruiting additional employees for the position
System development (CDN stream) — intermediate level			Perform project development and daily maintenance and development, handle code review	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Less than 3 years experience at system engineering-related industry, bachelor degree or above, understanding in certain development languages	
Front-end application development — expert level			Plan and design large-scale front-end technology, manage and design application projects and liaise with back-end development	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Over 5 years experience at computing-related industry, bachelor degree or above, proficient in certain coding languages	There will be two additional expert level engineers to be hired in 2024 after the [REDACTED], chairing their respective team for the front-end application development, including edge storage, edge streaming and edge security, as its geographical coverage expands to different additional prefecture-level cities or administrative districts and counties. Currently, there is insufficient number of staff to handle the expansion.
Front-end application development — senior level			Independently perform complex module development and link front-end application to back-end application	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	3–5 years experience at computing-related industry, bachelor degree or above, proficient in certain coding languages	
Front-end application development — intermediate level			Independently perform simple module development and assist in development projects	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Less than 3 years experience at computing-related industry, bachelor degree or above, understanding in certain coding languages	
Back-end application development — expert level			Manage multiple core development projects, perform core coding, instruct and train engineers	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Over 5 years experience at computing-related industry, bachelor degree or above, proficient in certain coding languages	There will be two additional expert level engineers to be hired in 2024 and 2025 after the [REDACTED], chairing their respective team for the back-end application development, as its geographical coverage expands to different additional prefecture-level cities or administrative districts and counties and business scale continues to expand. Currently, there is insufficient number of staff to handle the expansion.
Back-end application development — senior level			Independently maintain core projects, perform complex module development and review development code	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	3–5 years experience at computing-related industry, bachelor degree or above, proficient in certain coding languages	
Back-end application development — intermediate level			Perform development per instructions, perform coding and provide technical support	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Less than 3 years experience at computing-related industry, bachelor degree or above, understanding in certain coding languages	

FUTURE PLANS AND [REDACTED]

Business segment	Locations	Positions	Roles and functions	Yearly remuneration (RMB'000)	No. of additional employees to be hired in 2024	No. of additional employees to be hired in 2025	No. of additional employees to be hired in 2026	Qualifications and experiences	Reasons for recruiting additional employees for the position
		iOS mobile development — expert level	Manage multiple core development projects, perform core coding, instruct and train engineers	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Over 5 years experience at computing-related industry, bachelor degree or above, proficient in certain coding languages	There will be one additional expert level engineers to be hired in 2024 after the [REDACTED], chairing team for the iOS mobile development, as its geographical coverage expands to different additional prefecture-level cities or administrative districts and counties and business scale continues to expand. Currently, there is insufficient number of staff to handle the expansion.
		iOS mobile development — senior level	Independently maintain core projects, perform complex module development and review development code	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	3–5 years experience at computing-related industry, bachelor degree or above, proficient in certain coding languages	
		iOS mobile development — intermediary level	Perform development per instructions, perform coding and provide technical support	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Less than 3 years experience at computing-related industry, bachelor degree or above, understanding in certain coding languages	
		Android mobile development — expert level	Manage multiple core development projects, perform core coding, instruct and train engineers	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Over 5 years experience at computing-related industry, bachelor degree or above, proficient in certain coding languages	There will be one additional expert level engineer to be hired in 2024 after the [REDACTED], chairing team for the android mobile development, as its geographical coverage expands to different additional prefecture-level cities or administrative districts and counties and business scale continues to expand. Currently, there is insufficient number of staff to handle the expansion.
		Android mobile development — senior level	Independently maintain core projects, perform complex module development and review development code	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	3–5 years experience at computing-related industry, bachelor degree or above, proficient in certain coding languages	
		Android mobile development — intermediate level	Perform development per instructions, perform coding and provide technical support	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Less than 3 years experience at computing-related industry, bachelor degree or above, understanding in certain coding languages	

FUTURE PLANS AND [REDACTED]

Business segment	Locations	Positions	Roles and functions	Yearly remuneration (RMB'000)	No. of additional employees to be hired in 2024	No. of additional employees to be hired in 2025	No. of additional employees to be hired in 2026	Qualifications and experiences	Reasons for recruiting additional employees for the position
		Product management — expert level	Responsible for management and design of multiple product lines, feasibility studies and data analysis	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Over 5 years experience at computing-related industry, bachelor degree or above, proficient in product development and commercialisation	There will be one additional expert level engineer to be hired in 2024 after the [REDACTED], chairing team for the product management, as its geographical coverage expands to different additional prefecture-level cities or administrative districts and counties and business scale continues to expand. Currently, there is insufficient number of staff to handle the expansion.
		Product management — senior level	Responsible for management and design of single product line, audit of codes and data analysis	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	3–5 years experience at computing-related industry, bachelor degree or above, familiar with product development and commercialisation	
		Product management — intermediate level	Responsible for data collection, organisation and presentation, and protocol design	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	3–5 years experience at computing-related industry, bachelor degree or above, understanding in product implementation	
		User Interface design — expert level	Establish design protocol, translate client's demand into solution and control quality	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Over 7 years experience at art, graphic design, advertising or visual communication industry, bachelor degree or above, proficient in various design methodologies	There will be one additional expert level engineer to be hired in 2024 after the [REDACTED], chairing team for the user interface design, including the product/service's appearance, interactivity, usability, and the overall style, as its geographical coverage expands to different additional prefecture-level cities or administrative districts and counties and business scale continues to expand. Currently, there is insufficient number of staff to handle the expansion.
		User Interface design — senior level	Formulate design strategy per instructions, devise standard for large-scale design project and review and provide improvement suggestion	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Over 3 years experience at art, graphic design, advertising or visual communication industry, bachelor degree or above, proficient in various design methodologies	
		User Interface design — intermediate level	Independently handle regular design project, manage various design tools and communicate with clients	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Less than 3 years experience at art, graphic design, advertising or visual communication industry, bachelor degree or above, understanding in various design methodologies	

FUTURE PLANS AND [REDACTED]

Business segment	Locations	Positions	Roles and functions	Yearly remuneration (RMB'000)	No. of additional employees to be hired in 2024	No. of additional employees to be hired in 2025	No. of additional employees to be hired in 2026	Qualifications and experiences	Reasons for recruiting additional employees for the position
		Operation maintenance — expert level	Manage daily operation maintenance, problem-solving and complaint handling	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Over 10 years operation experience in computer, software engineering, telecommunication, electronic or information technology-related industry, bachelor degree or above, proficient in various operation maintenance techniques	There will be one additional expert level engineer to be hired in 2024 after the [REDACTED], chairing team for the operation management of the edge computing infrastructure, as its geographical coverage expands to different additional prefecture-level cities or administrative districts and counties and business scale continues to expand. Currently, there is insufficient number of staff to handle the expansion.
		Operation maintenance — senior level	Perform daily operation maintenance, data analysis and solve emergency situation	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Over 7 years operation experience in computer, software engineering, telecommunication, electronic or information technology-related industry, bachelor degree or above, proficient in various operation maintenance techniques	
		Operation maintenance — intermediate level	Independently handle network failure and software and hardware installation	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Over 3 years operation experience in computer, software engineering, telecommunication, electronic or information technology-related industry, bachelor degree or above, proficient in various operation maintenance techniques	

FUTURE PLANS AND [REDACTED]

Business segment	Locations	Positions	Roles and functions	Yearly remuneration (RMB'000)	No. of additional employees to be hired in 2024	No. of additional employees to be hired in 2025	No. of additional employees to be hired in 2026	Qualifications and experiences	Reasons for recruiting additional employees for the position
IDC Solution Services	Wuxi	General maintenance — expert level	Manage daily operation maintenance, problem-solving and complaint handling	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Over 10 years operation experience in computer, software engineering, telecommunication, electronic or information technology-related industry and over 6 years' experience in IDC-related industry, bachelor degree or above, proficient in various operation maintenance techniques	More maintenance staff are required to oversee and manage the additional operation sites as our business expands over the years. There will be one additional expert level staff heading two teams each of which will be headed by one senior level staff, in order to manage the additional operation sites according to the above timetable of business improvement and operation development.
		General maintenance — senior level	Perform daily operation maintenance, data analysis and solve emergency situation	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Over 6 years operation experience in computer, software engineering, telecommunication, electronic or information technology-related industry and 3 years' experience in IDC-related industry, bachelor degree or above, proficient in various operation maintenance techniques	
		General maintenance — intermediate level	Independently handle network failure and software and hardware installation	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Over 3 years operation experience in computer, software engineering, telecommunication, electronic or information technology-related industry, bachelor degree or above, proficient in various operation maintenance techniques	

FUTURE PLANS AND [REDACTED]

Business segment	Locations	Positions	Roles and functions	Yearly remuneration (RMB'000)	No. of additional employees to be hired in 2024	No. of additional employees to be hired in 2025	No. of additional employees to be hired in 2026	Qualifications and experiences	Reasons for recruiting additional employees for the position
		Network maintenance — expert level	Manage daily operation maintenance, problem-solving and complaint handling	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Over 10 years operation experience in computer, software engineering, telecommunication, electronic or information technology-related industry and over 6 years' experience in IDC-related industry, bachelor degree or above, proficient in various operation maintenance techniques	More maintenance staff are required to oversee and manage the additional operation sites as our business expands over the years. There will be one additional expert level staff heading one team of which will be headed by one senior level staff, in order to manage the additional operation sites according to the above timetable of business improvement and operation development.
		Network maintenance — senior level	Perform daily operation maintenance, data analysis and solve emergency situation	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Over 6 years operation experience in computer, software engineering, telecommunication, electronic or information technology-related industry and 3 years' experience in IDC-related industry, bachelor degree or above, proficient in various operation maintenance techniques	
		Network maintenance — intermediate level	Independently handle network failure and software and hardware installation	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Over 3 years operation experience in computer, software engineering, telecommunication, electronic or information technology-related industry, bachelor degree or above, proficient in various operation maintenance techniques	

FUTURE PLANS AND [REDACTED]

Business segment	Locations	Positions	Roles and functions	Yearly remuneration (RMB'000)	No. of additional employees to be hired in 2024	No. of additional employees to be hired in 2025	No. of additional employees to be hired in 2026	Qualifications and experiences	Reasons for recruiting additional employees for the position
		Development maintenance — expert level	Manage daily operation maintenance, problem-solving and complaint handling	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Over 10 years operation experience in computer, software engineering, telecommunication, electronic or information technology-related industry and over 6 years' experience in IDC-related industry, bachelor degree or above, proficient in various operation maintenance techniques	More maintenance staff are required to oversee and manage the additional operation sites as our business expands over the years. There will be one additional expert level staff heading one team of which will be headed by one senior level staff, in order to manage the additional operation sites according to the above timetable of business improvement and operation development.
		Development maintenance — senior level	Perform daily operation maintenance, data analysis and solve emergency situation	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Over 6 years operation experience in computer, software engineering, telecommunication, electronic or information technology-related industry and 3 years' experience in IDC-related industry, bachelor degree or above, proficient in various operation maintenance techniques	
		Development maintenance — intermediate level	Independently handle network failure and software and hardware installation	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Over 3 years operation experience in computer, software engineering, telecommunication, electronic or information technology-related industry, bachelor degree or above, proficient in various operation maintenance techniques	

FUTURE PLANS AND [REDACTED]

Cost and benefit analysis

In order to consistently develop our cabinet-type services under our IDC Solution Services and our Edge Computing Services, we plan to recruit in total 89 staff for the next three years as (i) the geographical coverage of our operations will expand to more regions in China from the current focus on Shandong Province and Inner Mongolia; (ii) the current workforce is insufficient to support our expansion; (iii) research and development work for our Edge Computing Services are labour-intensive, with a view to self-developing most of our product and service offerings; and (iv) our IDC Solution Services and Edge Computing Services businesses are independent of and are not sharing talents with each other, although other resources such as BMS or equipment may be shared.

Our Directors consider that engaging third-party service suppliers in the management of our cabinet-type IDC Solution Services and the research and development of our Edge Computing Services is not in the best interest of our Group. The overall security and stability are of paramount concern to both of our IDC Solution Services and Edge Computing Services. If third-party service suppliers were to be engaged, we may face the risks of (i) unpredictable interruption to the stability of the bandwidth we provide, (ii) unreliable service quality, and (iii) leakage of intellectual property rights, trade-secret and know-how. In addition, out of the third-party service suppliers' own organizational and operational status, including liquidation and staff dismissal, there may exist unpredictable and uncontrollable uncertainties of their work quality.

Based on the salary quotation we understand from the market and recruitment professionals, our Directors believe that recruiting our own personnel can save costs from engaging third-party service suppliers and will be beneficial to our Group's long-term development as we can have better control of our cost and our staffs' performance.

Our Directors expect that in the short term, our Group will need to carry out its recruitment plan to implement its business development plan, and the growth rate of staff expenditure may temporarily exceed the growth rate of revenue. As the development of our business segments become mature and stable, the number of employees will become stable. Our Directors believe such circumstance is transitional and we envisage that the growth rate of revenue will surpass the growth rate of employee expenses in the long term. Our Directors believe that in the ordinary course of business, its recruitment is demand, development and business-driven. Based on our Group's traditional prudent practice, it will be unlikely to have over-expansion in the long term.

The above implementation plans and analysis are based on the results of market experience, research, financial preliminary assessment and feasibility studies undertaken during the Track Record Period and up to the Latest Practicable Date.

The above allocation of the [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed at a higher or lower level compared to the mid-point of the estimated [REDACTED] range.

To the extent our [REDACTED] are either more or less than expected, we will increase or decrease the allocation of the [REDACTED] to the above purposes on a pro rata basis.

FUTURE PLANS AND [REDACTED]

We estimate that the [REDACTED] to the Selling Shareholder from the sale of [REDACTED] pursuant to the [REDACTED] will be approximately HK$[REDACTED] million (assuming an [REDACTED] of HK$[REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED] range), after deducting the [REDACTED] and estimated related expenses payable by the Selling Shareholder. We will not receive [REDACTED] from the sale of [REDACTED] by the Selling Shareholder in the [REDACTED].

To the extent our [REDACTED] are not immediately applied to the above purposes and to the extent permitted by the relevant law and regulations, our Company will only deposit those [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions). We will make an appropriate announcement if there is any change to the above proposed [REDACTED] or if any amount of the [REDACTED] will be used for general corporate purpose.

If the [REDACTED] is fully exercised, our Company will receive additional [REDACTED] of HK$[REDACTED] million for [REDACTED] Shares to be allotted and issued upon the full exercise of the [REDACTED] based on the [REDACTED] of HK$[REDACTED] per [REDACTED], being the mid-point of the [REDACTED] range, and after deducting the [REDACTED] payable by our Company. The additional amount raised will be applied to the above areas of [REDACTED] on a pro rata basis.