

## SUMMARY

*This summary aims to give you an overview of the information contained in this document. Since this is a summary, it does not contain all the information that may be important to you, and is qualified in its entirety by, and should be read in conjunction with, the full text of this document. You should read this document in its entirety including the appendices hereto before you decide to invest in the [REDACTED]. There are risks associated with any investment. Some of the particular risks in investing in the [REDACTED] are set out in the section headed “Risk Factors” in this document. You should read that section carefully before you decide to invest in the [REDACTED].*

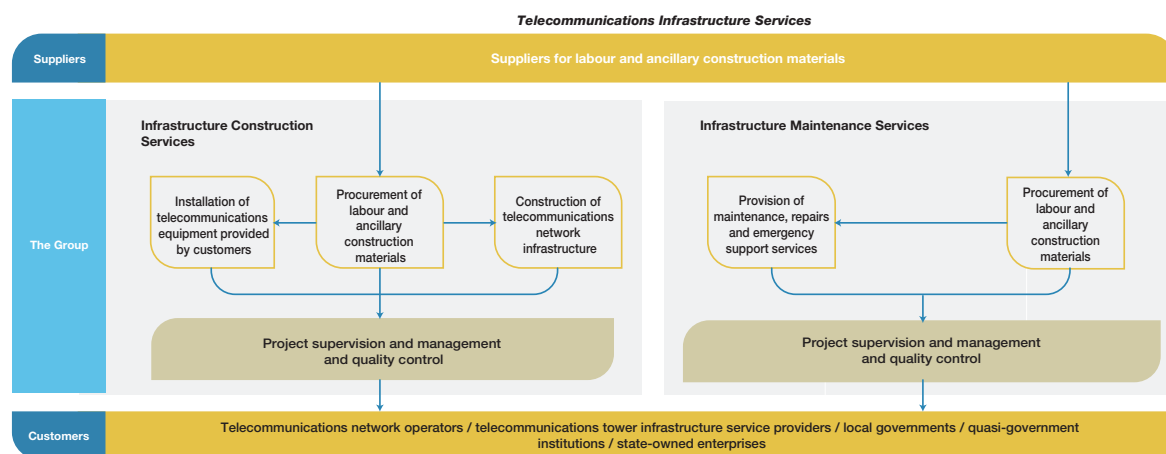
## OVERVIEW

Established in 2002, the Group is a reputable integrated service provider and software developer headquartered in Jiangxi Province of the PRC and specialises in the provision of Telecommunications Infrastructure Services and Smart City Solution Services in the PRC. Since its founding, the Group has established long and stable business relationships with the key players in the telecommunications industry in the PRC including the Big Three, being the three largest telecommunications network operators in the PRC, and the largest telecommunications tower infrastructure service provider in the world. According to the Ipsos Report, the Group ranked third amongst all telecommunications network infrastructure construction and maintenance services providers in Jiangxi Province in terms of revenue in 2021, with a market share of approximately 3.7%. As at the Latest Practicable Date, the Group has expanded its operations to 20 provinces and municipalities across the PRC.

## PRINCIPAL SERVICES AND BUSINESS MODEL

### Telecommunications Infrastructure Services

Telecommunications Infrastructure Services consist of Infrastructure Construction Services and Infrastructure Maintenance Services, which are utilised by key market players in the telecommunications industry in the PRC to expand and maintain their telecommunications networks. Such key players include telecommunications network operators, telecommunications tower infrastructure service providers, local governments, quasi-government institutions and state-owned enterprises. Infrastructure Construction Services mainly involve the construction, adaptation and installation works of network infrastructure along the entire telecommunications network, such as base stations and auxiliary facilities engineering services, power grid connection services, cable installation services, access network related services and wireless network equipment installation services. Infrastructure Maintenance Services mainly involve carrying out routine basic maintenance, repairs and restoration works and emergency trouble shooting to the telecommunications infrastructure located across rural and urban areas in the PRC. The following chart summarises the Group's principal business activities and business model in relation to its Telecommunications Infrastructure Services business segment:



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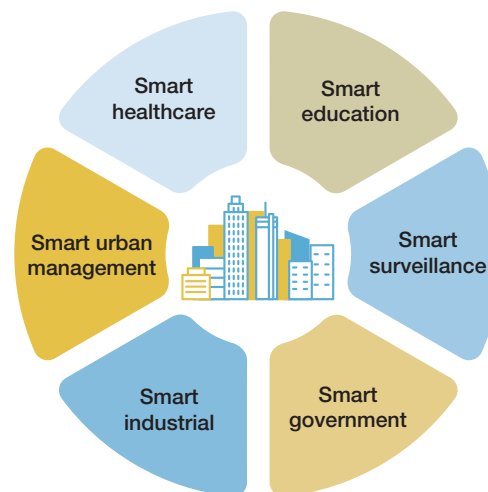
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The Group's customers in Telecommunications Infrastructure Services business segment during the Track Record Period primarily comprised key players in the PRC telecommunications industry such as telecommunications network operators and telecommunications tower infrastructure service providers who would contract telecommunications infrastructure construction and maintenance works to the Group. During the Track Record Period, the Group's suppliers in relation to its Telecommunications Infrastructure Services business segment mainly consisted of labour suppliers who would supply labour services for completing the on-site labour intensive works and provide ancillary construction materials required for the Group's Infrastructure Construction Services projects and Infrastructure Maintenance Services projects, while the Group would remain responsible for the core aspects of the projects such as overall project management and implementation, testing and inspection as well as quality control. Due to the specialised equipment and materials needed for the construction of network infrastructure as well as the need to meet specific technical requirements and ensure compatibility with their existing infrastructure, the Group's customers would generally be responsible for providing the necessary telecommunications equipment.

In respect of the Group's pricing policy, it generally adopts a cost-plus pricing model when determining its bid/offer price quoted in the tender documents for its Telecommunications Infrastructure Services projects after taking into account factors such as (i) the nature, scale, complexity and location of the relevant projects as well as (ii) the estimated costs for the procurement of labour services and ancillary construction materials.

### Smart City Solution Services

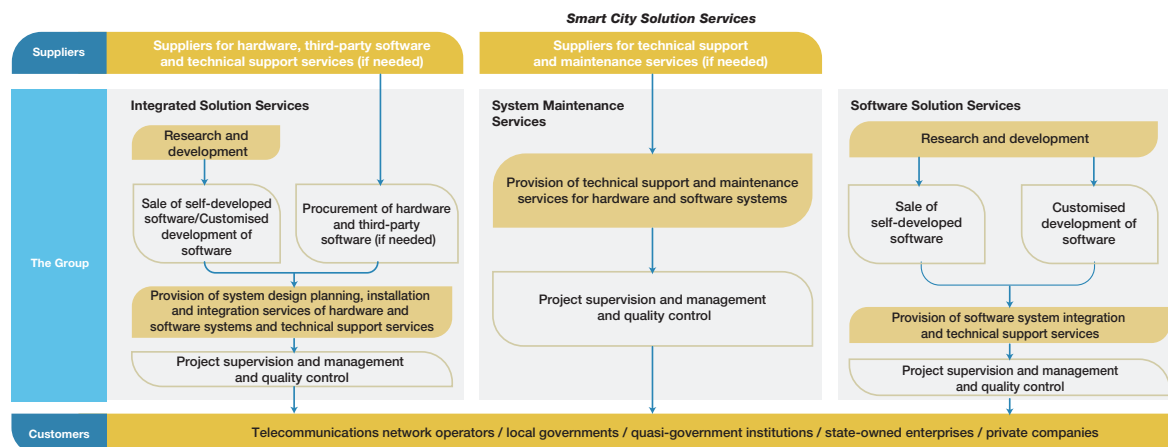
Smart City Solution Services consist of Integrated Solution Services, System Maintenance Services and Software Solution Services, and aim to improve the operational efficiency and productivity of its customers through incorporating smart technologies such as AI, IoT, cloud computing, big data, blockchain to enable the integration of various hardware and software systems under a unified platform. Set out below are the key sectors on which the Group's Smart City Solution Services projects focused during the Track Record Period:



Integrated Solution Services generally involve providing turnkey solutions through (i) system design planning, (ii) supply of hardware and software and installation and integration, and (iii) provision of after-sale services such as technical support services. The Group also provides System Maintenance Services which included commissioned technical support and maintenance services for the hardware and software systems delivered under its Integrated Solution Services projects. Software Solution Services focus on (i) sale of self-developed

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software and (ii) delivering customised software development services. The following chart summaries the Group’s principal business activities and business model in relation to its Smart City Solution Services business segment:



The Group’s customers in Smart City Solution Services business segment mainly included not only telecommunications network operators but also local governments, quasi-government institutions, state-owned enterprises and private companies in the PRC who would engage the Group to provide Integrated Solution Services, System Maintenance Services and Software Solution Services for use in various sectors such as smart healthcare, smart education, smart surveillance, smart government, smart industrial and smart urban management, etc. During the Track Record Period, the Group’s suppliers in relation to the provision of its Smart City Solution Services business segment mainly consisted of hardware and software suppliers who would supply hardware such as surveillance cameras, biometric scanners, computers, data storage and processing system, third-party software and/or technical support and maintenance services.

In respect of the Group’s pricing policy, it generally takes into account the estimated prices its customers are willing to pay and other factors such as (i) in relation to the Group’s Integrated Solution Services projects only, the estimated costs for the procurement of hardware and third-party software system, (ii) (if applicable) the relevant research and development expenses incurred, (iii) the scale and timeframe required, (iv) the credit term required by its customers, and (v) the contract prices of the Group’s similar projects.

## REVENUE AND GROSS PROFIT MARGIN

During the Track Record Period, the Group derived its revenue from its principal services, namely, (i) Telecommunications Infrastructure Services, with the sub-segments of Infrastructure Construction Services and Infrastructure Maintenance Services; and (ii) Smart City Solution Services, with the sub-segments of Integrated Solutions Services, System Maintenance Services and Software Solution Services. The following table sets out a breakdown of the Group’s revenue and gross profit margin by business segments during the Track Record Period:

	Year ended 31 December								
	2020			2021			2022		
	Revenue	Percentage of total	Gross profit margin	Revenue	Percentage of total	Gross profit margin	Revenue	Percentage of total	Gross profit margin
	RMB'000			RMB'000			RMB'000		
<b>Telecommunications Infrastructure Services</b>									
– Infrastructure Construction Services . . . . .	251,810	74.8%	18.7%	344,631	72.0%	12.2%	309,276	74.9%	12.0%
– Infrastructure Maintenance Services . . . . .	27,312	8.1%	28.4%	25,160	5.3%	17.5%	33,224	8.0%	17.7%
Sub-total . . . . .	279,122	82.9%	19.7%	369,791	77.2%	12.5%	342,501	82.9%	12.5%
<b>Smart City Solution Services</b>									
– Integrated Solution Services . . . . .	55,502	16.5%	54.0%	107,364	22.4%	41.5%	10,148	2.5%	25.4%
– System Maintenance Services . . . . .	1,923	0.6%	13.8%	1,963	0.4%	15.6%	2,044	0.5%	19.1%
– Software Solution Services . . . . .	–	–	–	–	–	–	58,399	14.1%	99.0%
Sub-total . . . . .	57,425	17.1%	52.7%	109,327	22.8%	41.1%	70,591	17.1%	86.1%
<b>Total . . . . .</b>	<b>336,547</b>	<b>100.0%</b>	<b>25.3%</b>	<b>479,118</b>	<b>100.0%</b>	<b>19.0%</b>	<b>413,091</b>	<b>100.0%</b>	<b>25.1%</b>

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The Group's revenue during the Track Record Period was primarily generated from its Telecommunications Infrastructure Services business segment, for which its revenue amounted to approximately RMB251.8 million, RMB344.6 million, and RMB309.3 million for the years ended 31 December 2020, 2021 and 2022, accounting for approximately 74.8%, 72.0% and 74.9% of the Group's total revenue, respectively. The Group's revenue from its Smart City Solution Services business segment amounted to approximately RMB57.4 million, RMB109.3 million and RMB70.6 million for the years ended 31 December 2020, 2021 and 2022, accounting for approximately 17.1%, 22.8% and 17.1% of its total revenue, respectively.

The Group's total revenue increased from approximately RMB336.5 million for the year ended 31 December 2020 to approximately RMB479.1 million for the year ended 31 December 2021 and then decreased to approximately RMB413.1 million for the year ended 31 December 2022, representing a CAGR of approximately 7.1% over the Track Record Period. The significant increase in the Group's revenue of approximately RMB142.6 million or 42.4% from the year ended 31 December 2020 to the year ended 31 December 2021 was primarily driven by the substantial increase in revenue from the Group's Infrastructure Construction Services sub-segment, which increased by approximately RMB92.8 million due to a sizable provincial transmission pipeline engineering construction project in Jiangxi Province that generated approximately RMB93.1 million in revenue in 2021. The project was initially expected to be completed in 2020, however, the COVID-19 pandemic caused a delay in its progress, causing the majority of the works to be carried out in 2021, which led to a substantial recognition of revenue in 2021. Moreover, the revenue from the Integrated Solution Services sub-segment has also significantly increased by approximately RMB51.9 million, mainly due to the revenue contribution of two smart healthcare sector related projects and a smart surveillance sector related project that were completed during the year.

For the decrease in the Group's total revenue of approximately RMB66.0 million or 13.8% from the year ended 31 December 2021 to the year ended 31 December 2022, it was primarily driven by the Group's strategically shift of focus from the Integrated Solution Services sub-segment to the Software Solution Services sub-segment for its Smart City Solution Services business segment, which helped the Group to avoid the need for substantial capital requirements for the purchase of hardware and equipment applied in Integrated Solution Services projects, thereby enhancing the Group's liquidity. As a result, the Group recorded a significant decrease in revenue derived from Integrated Solution Services by approximately RMB97.2 million from the year ended 31 December 2021 to the year ended 31 December 2022. However, such decrease was partially offset by the increase in the number of Software Solution Services projects, resulting in a significant increase in revenue from nil for the year ended 31 December 2021 to approximately RMB58.4 million for the year ended 31 December 2022. The decrease in number of Infrastructure Construction Services projects had also to a certain extent contributed to the decrease in the Group's total revenue in 2022. The decrease in revenue from the Infrastructure Construction Services sub-segment was primarily caused by the completion of a substantial portion of the provincial transmission pipeline engineering construction project in Jiangxi Province in the previous year. As a result, the revenue generated from this project decreased significantly by RMB73.1 million for the year ended 31 December 2022. However, such decrease was partially offset by the revenue of approximately RMB65.0 million generated from a transmission and wireline enhancement project in Yunnan Province.

The gross profit margin of the Group's Smart City Solution Services business segment was relatively higher than that of the Telecommunications Infrastructure Services business segment during the Track Record Period mainly due to the fact that (i) the cost of sales was generally lower as a result of such projects being less labour intensive and having a relatively shorter project life cycle; and (ii) the projects were generally obtained via single-source procurement and/or by responding to invitation to quote and required a higher degree of customisation by the Group thus leaving more room for the Group to charge at a higher price. On the other hand, the gross profit margin of the Group's Infrastructure Construction Services business sub-segment was generally the lowest during the Track Record Period as the projects were (i) labour intensive and (ii) mainly obtained by way of open tender which would restrict the Group's ability in setting a high tender price due to the competitive nature of open tenders as they would be made available to all of the Group's competitors.

The Group's gross profit margin for the years ended 31 December 2020, 2021 and 2022 was approximately 25.3%, 19.0% and 25.1%, respectively. Such decrease from the year ended 31 December 2020 to the year ended 31 December 2021 was primarily due to (i) the decrease in the gross profit margin of its Telecommunications Infrastructure Services business segment from approximately 19.7% to approximately 12.5%, which was mainly attributable to the

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Infrastructure Construction Services sub-segment, which recorded an increase in revenue contribution from the transmission pipeline engineering construction project in Jiangxi Province with a relatively lower gross profit margin, primarily due to its labour-intensive and low skilled nature; and (ii) the decrease in gross profit margin of its Smart City Solution Services business segment from approximately 52.7% to approximately 41.1%, which was mainly attributable to the negative impact caused by the substantial costs of hardware and third-party software systems incurred for two smart healthcare sector related projects and a smart surveillance sector related project, which had an adverse effect on the gross profit margin of the Integrated Solution Services business sub-segment.

The Group's overall gross profit margin increased from the year ended 31 December 2021 to the year ended 31 December 2022 primarily due to an increase in the gross profit margins of its Smart City Solution Services business segment, which reflected the Group's strategic shift towards Software Solution Services projects within its Smart City Solution Services business segment. The Group's focus on Software Solution Services projects has resulted in higher gross profit margin due to the relatively minimal costs involved in the projects, as most of the software applied in Software Solution Services was developed by the Group. Furthermore, the Group recognised and classified the cost of research and development for the software as research and development expenses for the relevant years, which also helped to further enhance its gross profit margin.

For details, please refer to the paragraphs headed “Financial Information – Description of selected items in the consolidated statements of profit or loss – Gross profit and gross profit margin” and the paragraphs headed “Financial Information – Review of historical results of operations” in this document.

## PROJECT BACKLOG AND NUMBER OF PROJECTS

The following table sets out the ending balance of the Group's project backlog by business segments and number of projects on hands as at the end of each year during the Track Record Period and up to the Latest Practicable Date:

	As at 31 December						As at the Latest Practicable Date	
	2020		2021		2022		Project backlog	No. of projects
	Project backlog RMB'000	No. of projects	Project backlog RMB'000	No. of projects	Project backlog RMB'000	No. of projects		
<b>Telecommunications Infrastructure Services</b>								
– Infrastructure Construction Services . . . . .	864,859	74	537,240	80	1,014,330	114	1,195,759	137
– Infrastructure Maintenance Services . . . . .	47,316	18	36,685	17	101,159	23	95,730	29
<b>Smart City Solution Services</b>								
– Integrated Solution Services . . . . .	11,827	2	7,497	2	16,595	4	17,805	5
– System Maintenance Services . . . . .	4,415	1	2,978	2	818	2	425	1
– Software Solution Services . . . . .	–	–	–	–	6,342	6	33,212	10
<b>Total . . . . .</b>	<b>928,417</b>	<b>95</b>	<b>584,400</b>	<b>101</b>	<b>1,139,244</b>	<b>149</b>	<b>1,342,932</b>	<b>182</b>

*Note:* The Group's project backlog represents its estimate of the total outstanding contract of its on-going projects and newly awarded/secured projects (assuming that all works under the relevant contracts are required to be carried out) as at 31 December 2020, 2021 and 2022 and the Latest Practicable Date. For details, please refer to the paragraphs headed “Business – Projects – Project backlog” in this document.

The services provided by the Group during the Track Record Period were generally offered on a project-by-project basis with no long-term commitments from its customers to further engage the Group for similar related types of work. The ending balances of the Group's backlog during the Track Record Period amounted to approximately RMB928.4 million, RMB584.4 million and RMB1,139.2 million, respectively and the number of the Group's projects during the Track Record Period was 95, 101 and 149, respectively. The Group's Infrastructure Construction Services business sub-segment was the main contributor of project backlog and number of projects. During the Track Record Period, the Group had completed a total of 193 Telecommunications Infrastructure Services projects during the Track Record Period, of which 153 were Infrastructure Construction Services projects and 40 were Infrastructure Maintenance Services projects. During the Track Record Period, the Group had completed a total of 28 Smart City Solution Services projects, of which 20 were Integrated Solution Services projects and eight were Software Solution Services projects. For details, please refer to the paragraphs headed “Financial Information – Key factors affecting results of operations – Non-recurring nature of the Group's projects” in this document.



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### TENDER SUCCESS RATE

During the Track Record Period, the Group's Telecommunications Infrastructure Services projects were generally awarded by way of open tender whereby any eligible service provider could submit a tender to provide the services required by the customer, whereas the Group's Smart City Solution Services projects were generally secured by way single-source procurement or responding to invitation to quote whereby the customers would approach the Group to directly seek terms and obtain a quote, and may negotiate for mutually agreed contract terms. The following table sets out the Group's tender success rate for Telecommunications Infrastructure Services during the Track Record Period:

	Year ended 31 December		
	2020	2021	2022
<b>Telecommunications Infrastructure Services</b>			
– Infrastructure Construction Services . . . . .	23.2%	18.9%	20.6%
– Infrastructure Maintenance Services . . . . .	34.5%	44.0%	39.4%
<b>Overall tender success rate . . . . .</b>	<b>24.3%</b>	<b>20.6%</b>	<b>22.5%</b>

*Note:* The tender success rate for a particular year is calculated based on the number of tenders awarded to the Group (whether awarded in the same year or subsequently) divided by the number of tenders submitted during that year.

### FIVE LARGEST CUSTOMERS

The Group's revenue attributable to its five largest customers amounted to approximately RMB327.7 million, RMB476.3 million and RMB409.9 million, representing approximately 97.4%, 99.4% and 99.2% of its total revenue respectively, while the revenue attributable to the largest customer of the Group, namely Customer A, amounted to approximately RMB207.3 million, RMB332.9 million and RMB237.7 million for the years ended 31 December 2020, 2021 and 2022, representing approximately 61.6%, 69.5% and 57.5% of its total revenue, respectively. As at the Latest Practicable Date, the Group's business relationships with its five largest customers during the Track Record Period ranged from approximately two to 20 years.

### FIVE LARGEST SUPPLIERS

For the years ended 31 December 2020, 2021 and 2022, the Group's total procurement costs amounted to approximately RMB243.4 million, RMB393.2 million and RMB310.4 million, respectively, of which approximately RMB166.2 million, RMB229.3 million and RMB222.5 million, respectively, were attributable to its five largest suppliers, representing approximately 63.8%, 58.3% and 71.7% of its total costs of sales. As at the Latest Practicable Date, the Group's business relationships with its five largest customers during the Track Record Period ranged from approximately two to eight years.

### SUMMARY OF FINANCIAL INFORMATION

#### Consolidated statements of profit or loss and other comprehensive income

The following table sets out a summary of the Group's consolidated statements of profit or loss and other comprehensive income for the Track Record Period, which has been extracted from the Accountants' Report in Appendix I to this document:

	Year ended 31 December		
	2020	2021	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue</b> . . . . .	336,547	479,118	413,091
<b>Cost of sales</b> . . . . .	(251,349)	(387,930)	(309,453)
<b>Gross profit</b> . . . . .	85,198	91,188	103,638
<b>Other net income</b> . . . . .	5,069	5,850	4,750
<b>Selling expenses</b> . . . . .	(4,281)	(5,080)	(3,436)
<b>Administrative expenses</b> . . . . .	(16,268)	(20,351)	(33,000)
<b>Research and development expenses</b> . . . . .	(16,670)	(19,208)	(17,680)
<b>Profit from operations</b> . . . . .	53,048	52,399	54,272
<b>Finance costs</b> . . . . .	(16,902)	(11,480)	(15,332)
<b>Profit before taxation</b> . . . . .	36,146	40,919	38,940
<b>Income tax</b> . . . . .	(3,840)	(4,746)	(3,965)
<b>Profit for the year</b> . . . . .	32,306	36,173	34,975
<b>Attributable to:</b>			
Equity shareholders of the company . . . . .	32,306	36,173	34,473
Non-controlling interests . . . . .	–	–	502
<b>Profit for the year</b> . . . . .	<b>32,306</b>	<b>36,173</b>	<b>34,975</b>

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### Selected items in consolidated statements of financial position

The following table sets out a summary of the Group's consolidated statements of financial position for the Track Record Period, which has been extracted from the Accountants' Report in Appendix I to this document:

	As at 31 December		
	2020	2021	2022
	RMB'000	RMB'000	RMB'000
Non-current assets . . . . .	73,508	98,354	95,685
Current assets . . . . .	620,878	798,647	938,830
Current liabilities. . . . .	554,652	769,397	845,341
Net current assets. . . . .	66,226	29,250	93,489
Total assets less current liabilities . . . . .	139,734	127,604	189,174
Non-current liabilities. . . . .	9,735	3,068	1,900
Net assets. . . . .	129,999	124,536	187,274

### Selected items in consolidated cash flow statements

The following table sets out a summary of the Group's consolidated cash flow statements for the Track Record Period, which has been extracted from the Accountants' Report in Appendix I to this document:

	Year ended 31 December		
	2020	2021	2022
	RMB'000	RMB'000	RMB'000
Net cash generated from/(used in) operating activities . . . . .	68,764	(12,246)	(36,343)
Net cash used in investing activities . . . . .	(316)	(7,497)	(8,404)
Net cash generated (used in)/from financing activities . . . . .	(89,535)	50,604	73,887
Net (decrease)/increase in cash and cash equivalents			
during the year . . . . .	(21,087)	30,861	29,140
Cash and cash equivalents at the beginning of the year . . . . .	30,076	8,989	39,850
Effect of foreign exchanges rates changes . . . . .	–	–	(344)
Cash and cash equivalents at the end of the year . . . . .	<u>8,989</u>	<u>39,850</u>	<u>68,646</u>

### Debtors' turnover days

The following table sets out the Group's debtors' turnover days during the Track Record Period:

	Year ended 31 December		
	2020	2021	2022
Debtors' turnover days (days) . . . . .	<u>585.1</u>	<u>503.6</u>	<u>689.6</u>

Note: Average balance of trade receivables, bills receivables and contract asset multiplied by number of days in that year divided by total revenue.

During the Track Record Period, the Group experienced a prolonged debtors' turnover period, primarily due to the extended inspection and acceptance and settlement audit processes of its customers for the Infrastructure Construction Services business sub-segment. The Group recognised revenue and corresponding contract assets for its Infrastructure Construction Services projects based on the work progress. However, the Group was only entitled to progress payments after completion of inspection and acceptance by customers or their agents and issuance of interim VAT invoice, which generally also takes a considerable amount of time after the recognition of revenue and relevant contract assets. At this stage, the relevant contract assets were transferred to trade receivables. The Group was further be entitled to final payments (less retention money (if any)) after completion of settlement audit and issuance of final VAT invoice, which generally also takes a considerable amount of time. Upon completion of

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settlement audit and issuance of final VAT invoice, the remaining contract assets were transferred to trade receivables. As a result of these processes, the Group held a significant amount of contract assets, resulting in a prolonged debtors’ turnover period. Additionally, the Group granted prolonged credit terms of three to five years for two Smart City Solution Services projects, and the payment of each of which was further subject to the receipt of payment by the customer from its end-user, which also contributed to the prolonged debtors’ turnover days during the Track Record Period. According to the Ipsos Report, it is an industry norm that customers for the Infrastructure Construction Services tend to settle payments after a relatively substantial period of time subsequent to inspection and acceptance and settlement audit processes, and issuance of VAT invoices. Further, it is also an industry norm that end users in Smart City Solution Services tend to settle payments after a relatively substantial period of time subsequent to delivery and acceptance of work.

### Creditors’ turnover days

The following table sets out the Group’s creditors’ turnover days during the Track Record Period:

	Year ended 31 December		
	2020	2021	2022
Creditors’ turnover days (days) . . . . .	357.4	321.7	441.6

*Note:* Average balance of bill payables multiplied by number of days in that year and divided by total cost of sales.

During the Track Record Period, the Group experienced a prolonged creditors’ turnover days. This was mainly due to the credit terms extended by suppliers, which allowed for a payment window of 30 to 45 days from the date of the Group’s receipt of payment from its customers. In addition, the Group’s customers had a prolonged inspection and acceptance and settlement audit process and they will settle the Group’s trade debt in stages after completion of inspection and acceptance and settlement audit processes which resulted in delayed settlement of the Group’s trade debts. The prolonged creditors’ turnover was therefore a direct result of the Group’s extended debtors’ turnover days.

### Key financial ratios

For the Group’s key financial ratios during the Track Record Period, please refer to the paragraph headed “Financial Information – Summary of financial information – Key financial ratios” in this document.

### COMPETITIVE STRENGTHS

The Directors believe that the Group’s success is attributable to the following competitive strengths:

- the Group’s well-established operating history as a reputable service provider in Jiangxi Province specialising in the provision of Telecommunications Infrastructure Services in the PRC;
- the Group’s diversified revenue base and capability in capitalising on emerging trends in the telecommunications industry;
- the Group’s long established business relationships with its suppliers; and
- the Group’s experienced management team.

For details, please refer to paragraph headed “Business – Competitive strengths” in this document.



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### BUSINESS STRATEGIES

The principal objectives of the Group are to develop its business and achieve sustainable growth through pursuing the following principal business strategies:

- continue to expand the Group's Telecommunications Infrastructure Services in the Western Region of the PRC focusing on Xinjiang and Yunnan Province;
- selectively pursue strategic acquisitions to strengthen the Group's Smart City Solution Services;
- enhancing the Group's liquidity position and financial capabilities in securing new large-scale Smart City Solution Services projects;
- strengthening the Group's research and development capabilities to enhance its provision of Smart City Solution Services; and
- partially repay certain outstanding bank borrowings.

For details, please refer to the paragraphs headed “Business – Business strategies” in this document.

### [REDACTED] STATISTICS

	Based on the minimum [REDACTED] of [REDACTED] per [REDACTED]	Based on the maximum [REDACTED] of HK\$[REDACTED] per [REDACTED]
[REDACTED] of the Shares <i>(Note 1)</i> . . . . .	[REDACTED]	[REDACTED]
Unaudited [REDACTED] adjusted consolidated net tangible assets of the Group attributable to equity shareholders of the Company per Share <i>(Note 2)</i> . . . . .	[REDACTED]	[REDACTED]

Notes:

1. The calculation of [REDACTED] of the Shares is based on [REDACTED] Shares in issue immediately after completion of the [REDACTED] and the [REDACTED], assuming that the [REDACTED] is not exercised.
2. For details, please refer to “Appendix II – Unaudited [REDACTED] Financial Information” in this document.

### [REDACTED]

It is estimated that the [REDACTED] from the [REDACTED] (after deducting [REDACTED] and estimated expenses payable by the Group in connection with the [REDACTED]), assuming the [REDACTED] is not exercised and an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] range), will be approximately HK\$[REDACTED] million. The Group currently intends to apply the [REDACTED] in the following manner:

- approximately [REDACTED] or [REDACTED] (equivalent to approximately [REDACTED]), together with the Group's internal resources and/or bank borrowings, if necessary, will be used to selectively pursue strategic acquisitions and acquire full ownership in companies specialising in the provision of services relating to Smart City Solution Services;
- approximately [REDACTED] or [REDACTED] (equivalent to approximately [REDACTED]) will be used as payment of the upfront costs required in respect of prospective Integrated Solution Services projects for 2023 and 2024;
- approximately [REDACTED] or [REDACTED] (equivalent to approximately [REDACTED]) will be used to strengthen the Group's research and development capabilities to enhance its provision of Smart City Solution Services, of which approximately [REDACTED] (equivalent to approximately [REDACTED]) will be used to purchase hardware equipment, and approximately [REDACTED] (equivalent to approximately [REDACTED]) will be used to hire additional research and development personnel;

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- approximately [REDACTED] or [REDACTED] (equivalent to approximately [REDACTED]) will be used to partially repay certain outstanding bank borrowings; and
- approximately [REDACTED] or [REDACTED] (equivalent to approximately [REDACTED]) will be used as general working capital.

For further details, please refer to the section headed “Future Plans and [REDACTED]” in this document.

### [REDACTED]

Assuming an [REDACTED] of [REDACTED] per [REDACTED], being the mid-point of the indicative range of the [REDACTED], excluding any discretionary incentive fee which may be paid, and that [REDACTED] will not be exercised, the Group expects to incur a total [REDACTED] of approximately [REDACTED] (equivalent to approximately [REDACTED]) including the estimated [REDACTED] fee, incentive fee and other expenses, out of which approximately [REDACTED] (equivalent to approximately [REDACTED]) will be recognised as expenses in the consolidated statements of profit or loss and other comprehensive income and approximately [REDACTED] (equivalent to approximately [REDACTED]) will be charged against equity upon the [REDACTED] according to the relevant accounting standards. The total [REDACTED] represent approximately [REDACTED] of the [REDACTED] from the [REDACTED] which is estimated to be approximately [REDACTED] based on the [REDACTED] of [REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED] range. Such expense and [REDACTED] from the [REDACTED] are current estimates and are for reference only. The final amount to be recognised to the profit or loss of the Group or to be capitalised is subject to adjustment and changes in variables and assumptions. **Prospective [REDACTED] should note that the financial performance of the Group for the year ending 31 December 2023 would be significantly affected by the one-off [REDACTED] actually recognised.**

### CONTROLLING SHAREHOLDERS

Immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised and without taking into account any Shares which may be issued upon the exercise of any options which may be granted under the Share Option Scheme), GT & Yangtze, which is owned as to approximately 70.0% by Mr. Liu Haoqiong and as to 30.0% by Ms. Tao Xiulan, will directly own approximately [REDACTED]% of the issued share capital of the Company. Accordingly, GT & Yangtze, Mr. Liu Haoqiong and Ms. Tao Xiulan are the Controlling Shareholders within the meaning of the Listing Rules.

For further details, please refer to the section headed “Relationship with Controlling Shareholders” in this document.

### [REDACTED] INVESTORS

The Group undertook several [REDACTED] Investments and entered into a series of agreements with four [REDACTED] Investors. For further details, please refer to the paragraphs headed “History and Reorganisation – [REDACTED] Investments” in this document.

### DIVIDENDS

The companies comprising the Group did not declare or pay any dividend or distribution during the Track Record Period. As at the Latest Practicable Date, the Group did not have any specific dividend policy nor any pre-determined dividend payout ratio. For further details, please refer to the paragraphs headed “Financial Information – Dividends” in this document.

## SUMMARY

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### LISTING ON NEEQ AND NEEQ LISTING WITHDRAWAL

On 25 January 2017, all issued shares of Zhonggan Communication were listed and quoted for trading on NEEQ (delisted, previous stock code: 870720). On 9 August 2019, the NEEQ Listing Withdrawal was effective. For details, please refer to section headed “History and Reorganisation – Listing on NEEQ and NEEQ Listing Withdrawal” in this document. As confirmed by the PRC Legal Advisers, the Listing Withdrawal was duly completed and the necessary approvals had been obtained and (i) during the period in which the shares of Zhonggan Communication were quoted on the NEEQ, Zhonggan Communication, its subsidiaries and its directors were not involved in any breach or suspected breach of the applicable rules or regulations of the NEEQ in any material aspects; and (ii) there has not been any matter that needs to be brought to the attention of the regulators and investors in Hong Kong in respect of Zhonggan Communication’s quotation on the NEEQ. On the basis of the above, along with searches performed by the Sole Sponsor, the Sole Sponsor concurs with the view of the PRC Legal Advisers that during the period which the shares of Zhonggan Communication were quoted on the NEEQ, Zhonggan Communication was not involved in any breach or suspected breach of the applicable rules or regulations of the NEEQ in any material aspects.

### RISK FACTORS

There are risks associated with any investment. Some of the relatively material risks relating to the Group include, but not limited to, (i) the Group’s projects are concentrated in the Central Region of the PRC, in particular Jiangxi Province and any material change pertaining to Jiangxi Province may materially and adversely affect the Group’s business, results of operations and profitability; (ii) the Group had a concentration of customers during the Track Record Period and any decrease or loss of business from the Group’s major customers could adversely and substantially affect the Group’s operations and financial conditions; (iii) the Group may not be able to transfer its contract assets to trade receivables, and ensure the settlement of its trade receivables in a timely manner or at all due to reasons beyond the Group’s control and as a result, the Group’s liquidity may be materially and adversely affected; (iv) the Group’s high level of indebtedness may persist or increase in the future; (v) the Group may not be able to adequately protect its intellectual property rights, and the Group may also be exposed to intellectual property infringement or misappropriation claims; and (vi) the Group relies on the performance, quality and the continued supply of labour, ancillary construction materials, hardware and third-party software systems and technical support services etc. by its suppliers, and in particular labour suppliers, to complete certain parts of the Group’s projects.

A detailed discussion of the risk factors is set out in the section headed “Risk Factors” in this document.

### NON-COMPLIANCE AND LEGAL PROCEEDINGS

During the Track Record Period, the Group was involved in certain non-compliance matters in respect of (i) financing arrangement in respect of certain bank loans; (ii) social insurance contributions; and (iii) housing provident fund contributions. Save for the above, the Directors confirm that the Group had not been involved in any non-compliance matters which had or may have a material adverse effect on its results of operations or financial conditions during the Track Record Period and up to the Latest Practicable Date. For details, please refer to the paragraphs headed “Business – Legal proceedings and compliance” in this document.

As at the Latest Practicable Date, the Group was not engaged in any material litigation, arbitration or claim and as confirmed by the Directors no material litigation, arbitration or claim is pending or threatened by or against the Group that would have a material adverse effect on its results of operations or financial condition.

## SUMMARY

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### COMPETITIVE LANDSCAPE

The telecommunications infrastructure services industry is also highly fragmented and with approximately 353 companies that possess the First Tier Communications Project Implementation General Contracting Enterprise Qualification\* (通信工程施工總承包(一級)) in 2022. Similarly, the smart city solution services industry is also highly fragmented with top players dominating in different provinces. In spite of the above, according to the Ipsos Report, there exist multiple entry barriers in the telecommunications infrastructure services industry including (i) a strong capital position as a typical project involves significant upfront commitment of resources and capital and as the payment process can be lengthy and delays may occur, (ii) a proven track record as market players are required to demonstrate their competence and experience in the field during the tender process and (iii) licenses that are the prerequisites for a company to participate in the projects of the key market players in the telecommunications infrastructure services industry. For the smart city solution services industry, the entry barriers include (i) high cost of investment to enhance technologies, develop innovative solutions, train information technology talents and obtain intellectual property and (ii) talent competition for technical talents to conduct research and development of new solutions that meet users' needs.

### RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period and up to the Latest Practicable Date, the Group continues to be focusing on its Telecommunications Infrastructure Services and Smart City Solution Services business segments, there has been no significant change in the Group's business model or principal services. Subsequent to the Track Record Period and up to the Latest Practicable Date, the Group had been awarded 16 Telecommunication Infrastructure Services projects with an aggregate maximum or estimated contract value of approximately RMB107.0 million, of which 12 were Infrastructure Construction Services projects and four were Infrastructure Maintenance Services projects. Further, the Group had secured six new Smart City Solution Services projects with an aggregate estimated contract value of approximately RMB30.1 million, of which one were Integrated Solution Services projects, nil were System Maintenance Services projects and five were Software Solution Services projects. To the best knowledge of the Directors, the industry in which the Group is operating remained relatively stable after the Track Record Period.

The Directors confirmed that, up to the date of this document, there has been no material adverse change in the financial or trading positions or prospects of the Group since 31 December 2022 (being the date of which the Group's latest audited consolidated financial statements were made up as set out in the Accountants' Report included as Appendix I to this document) and there has been no event since 31 December 2022 which would materially affect the information shown in the Accountants' Report included as Appendix I to this document.