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OVERVIEW

We are a security services provider in Hong Kong principally engaged in the provision of (i) Security Guarding Services; and (ii) Electronic Security Solutions Services. We have built a solid market presence by leveraging our operational expertise, our commitment to service quality, and our proven ability to secure and manage large-scale and operationally demanding security projects.

Our Security Guarding Services primarily include general manned guarding, patrolling, 24-hour surveillance and monitoring, site access control and operational manpower support. We also provide consultancy services relating to security services, including strategic manpower planning and the development of solutions to address issues arising from daily operations. Our Electronic Security Solutions Services primarily include the design, installation, operation, testing, integration and maintenance of electronic security systems and surveillance infrastructure, such as CCTV systems, access control systems, electronic guard tour systems, radio communication systems and robotic security solutions. We are also capable of providing ancillary facility support services, including cleaning, administrative support, escorting and other operational support services such as traffic control and crowd control. Our services can be offered on a stand-alone or in-combination basis, thereby allowing us to tailor security solutions that meet the diverse needs and budget requirements of our customers.

During the Track Record Period, we undertook projects for a broad range of customers in Hong Kong, including the HKIA Operator, the Air Cargo Terminal Operator, Jones Lang LaSalle building contractors, telecommunications service providers, property management companies and non-governmental organisations. Our project portfolio covered large-scale infrastructure, including airport and air cargo terminal, residential and commercial properties and other operational sites. Building on the operational experience, security systems management capabilities and track record developed through the execution of these projects, we have strengthened our market reputation and our Group’s ability to secure other sizeable projects for the provision of Security Guarding Services, such as the Air Cargo Terminal Project.

In recent years, there has been increasing adoption of electronic technology solutions in the security service industry, which are often integrated with physical security personnel to provide more comprehensive security services with enhanced monitoring and early threat detection capabilities. We have accordingly strengthened our capabilities in the Electronic Security Solutions Services segment, particularly CCTV-related services, 4S and robotic security solutions, to complement our established Security Guarding Services operations and address the evolving operational and technical requirements of our customers. We believe our Group is well positioned to capture the growing demand in the electronic security solutions industry, having already secured a major CCTV Contract with a well-established telecommunications service provider for the design and installation of CCTV systems. Compared with Security Guarding Services, Electronic Security Solutions Services generally require a higher level of technical capabilities, including system design, installation, testing and integration and technical personnel holding a Security Personnel Permit for Category D Security Work. By combining such capabilities with our experience in manned guarding, we are able to provide integrated security solutions covering on-site guarding, electronic surveillance, monitoring and related technical support. We believe this technology-enabled service model enhances our service quality and

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operational capabilities, broadens our service offerings and further strengthens our position as a comprehensive security services provider.

As part of this development strategy, our Directors have identified robotic security solutions as an extension of our integrated security service capabilities. Security robots are intended to complement our manned guarding services by supporting patrol, monitoring, crowd control, incident reporting and system integration. We believe the development of our own-branded robotic and automation solutions will enable us to better address evolving customer requirements and enhance our overall competitiveness. To capture the forecast growth at CAGR of 35.6% from 2026 to 2030 of the security robotics market in Hong Kong, we established Arrano Huilun with Guangzhou Huilun in 2026 to research, develop and commercialise robotic and automation solutions.

COMPETITIVE STRENGTHS

We believe that our achievements and future growth prospects are attributable to the following competitive strengths:

Proven track record in security industry

One of our key competitive strengths is our proven track record in managing operationally demanding projects in both Security Guarding Services and Electronic Security Solution Services segments. We take pride in our project portfolio, which highlights our involvement in various sizeable and complex projects, including the Three-runway System Project, the Air Cargo Terminal Project, Project KT, and the CCTV Contract.

Our involvement in the Three-runway Contract, one of Hong Kong’s largest public infrastructure developments in recent years, has provided us with substantial experience in managing complex, large-scale security deployments under stringent operational, technical and regulatory requirements. We believe this experience has directly strengthened our market reputation and competitiveness, enabling us to secure other sizeable Security Guarding Services contracts, such as the Air Cargo Terminal Project, as well as new contracts with a range of customers across different industries. These projects required us to manage large, geographically dispersed workforces, coordinate closely with site owners, operators and contractors, and comply with strict performance and safety requirements, including the terms typically imposed under performance bond and penalty clause regimes.

Our capability is further supported by our ability to recruit, train and retain a sizeable workforce (comprising 446 employees as at the Latest Practicable Date, of whom 426 held valid Security Personnel Permits) as well as our reduced reliance on subcontracted manpower over time as we have built our own team of security personnel to support project delivery. We believe this operational capacity and workforce stability differentiate us from smaller competitors who may lack the scale or manpower reliability required to bid for and execute similarly demanding contracts.

Leveraging our reputation of satisfactory services deliver, our project backlog increased from 11 projects as at 31 December 2024 to 21 projects as at 31 December 2025,

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and further to 27 projects as at 31 March 2026 and 28 projects (totalling backlog contract sum of approximately HK\$220 million) as at the Latest Practicable Date, while our tender success rate increased from approximately 12.5% in FY2024 to approximately 55.6% in FY2025, and further to approximately 60.0% in 3M2026, reflecting our growing track record and reputation in the market.

We believe the customer confidence and market reputation built through these milestone projects extended beyond our core Security Guarding Services business, and were instrumental in securing our CCTV Contract with a well-established telecommunications service provider (a customer type with stringent vendor selection standards) for the design and installation of CCTV systems across Hong Kong. This demonstrates our ability to leverage our proven operational track record to develop new service lines and win the confidence of sophisticated customers, supporting the broader diversification of our revenue base and sustainable growth of our business.

Capability to obtain operational demanding and manpower intensive projects

Building on our success in meeting the high demands required from operationally demanding projects, such as the Three-runway System Project, we have built a reputation in the security industry so that, our Group is well-positioned to expand our service scope and capture additional opportunities arising from ongoing and future developments at the HKIA as well as other sizeable projects.

During the Track Record Period, we obtained operationally demanding and manpower intensive projects in both the Security Guarding Services and the Electronic Security Solutions Services segments. In terms of the Security Guarding Services segment, we were awarded a property management-related security guarding project through tender from Jones Lang LaSalle, with an initial contract sum of HK\$17.2 million. Further, upon the end of term of a contract with the Air Cargo Terminal Operator for the provision of security personnel in supporting truck control office operation at a terminal in 2024, we were further awarded a new contract by the Air Cargo Terminal Operator for the provision of the same services from January 2025 to December 2026. In addition, we were awarded a new contract by the Air Cargo Terminal Operator for the provision of security services at an air cargo terminal for a period of two years from January 2025 to December 2027, with an initial contract sum of approximately HK\$129.7 million. In terms of the Electronic Security Solutions Services segment, we were awarded the CCTV Contract from a well-established telecommunications service provider.

The ability of our Group to obtain the above operationally demanding and manpower intensive projects demonstrates the trust and confidence of our customers in our Group and our Group’s ability to serve customers with recurring day-to-day operational needs and high service quality requirements.

Well-positioned to provide Electronic Security Solutions Services

Building on our core Security Guarding Services business, we have strategically expanded our Electronic Security Solutions Services, encompassing CCTV-related services, 4S and robotic security solutions, at a time when Hong Kong’s overall electronic security

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solutions market is forecasted to grow notably in the coming years. Hong Kong’s overall electronic security solutions market is expected to grow at accelerated CAGR of approximately 6.2% from 2026 to 2030, primarily driven by (i) ongoing digital transformation initiatives (particularly fuelled by government-led smart city transformation initiatives); (ii) greater corporate reliance on technology-driven security ecosystems (including market trends to integrate Internet of Things (IoT), Artificial Intelligence (AI) and 5G into complex security systems to meet escalating demand for automated and algorithmic surveillance); and (iii) an increasing market demand for sophisticated system integration and maintenance.

We believe our strategic expansion and investment in this segment, including our secured CCTV Contract with a well-established telecommunications service provider and our indirect non-wholly owned subsidiary, Arrano Huilun, positions us ahead of competitors who remain reliant on traditional manned guarding, allowing us to capture this structural shift towards integrated, technology-enabled security ecosystems.

We further believe the expansion and investment in this segment reduces our reliance on labour-intensive service delivery as compared to our traditional Security Guarding Services. Security robots can complement our traditional security guarding manpower, thereby enhancing the overall quality and resilience of our revenue base and providing a more favourable profit margin going forward.

Solid management team and consultancy team

We believe our success and future prospects are underpinned by an experienced management team with a strong track record in project management across diverse industries. Mr. Fong, our founder, chairman of the Board, executive Director and chief executive officer, brings over 15 years of project management experience in Hong Kong, providing business network, strategic experience, leadership and operational credibility which have been instrumental in helping our Group securing and executing sizeable and operationally demanding contracts, including the Three-runway Contract, the Air Cargo Terminal Project and the CCTV Contract. His leadership of our Group’s expansion into Electronic Security Solutions Services (in particular CCTV-related services and robotic security solutions) strategically positioned us to capture the growing demand for technology-enabled security and surveillance solutions in Hong Kong.

Beyond Mr. Fong, our experienced management team, including Mr. Ip Yik Nam, *JP* (our executive Director with over 20 years of management experience in the United States and Hong Kong (including prior roles as executive directors and chief executive officer of various listed companies), Mr. Liu Shing Bun Ricky (our project director and previously a Senior Superintendent of Police), and Mr. Cheung Wing Ho (our technical director and currently the chairman of the Federation of Hong Kong Electrical & Mechanical Industries Trade Unions) collectively brings substantial project management expertise across different industries to our Group.

The diverse and cross-industry background of our executive Directors and senior management team equips us with the flexibility and adaptability required to meet varied and evolving customer needs, oversee complex, large-scale operations, and support our

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Group’s business growth and expansions. For details of the experience of our Directors and senior management, please refer to the section headed “Directors and Senior Management” in this document.

We also take pride in our team of highly reputable consultants, comprising former high-ranking Government and public officials who bring extensive experience and expertise in delivering comprehensive advice for our projects. For further details of our relationship with our consultants, including their roles, engagement basis and remuneration arrangements, please refer to the paragraph headed “Business – Our Consultancy Team” in this document.

BUSINESS STRATEGIES AND FUTURE PLANS

The principal business objectives of our Group are to strengthen our position as an integrated security services provider in Hong Kong, expand our project portfolio and customer base, and enhance our operational and technological capabilities. We intend to achieve these objectives by implementing the following key strategies.

Continue to pursue project opportunities and strengthen our financial capacity to support business expansion

To capture the growing market opportunities under both the Security Guarding Services and the Electronic Security Solutions Services segments in Hong Kong, we intend to continue expanding our project portfolio by actively pursuing tendering and quotation opportunities across both our existing customer base and new customer segments.

Our project backlog has grown significantly from 11 projects as at 31 December 2024 to 28 projects (with a backlog contract sum of approximately HK\$220 million) as at the Latest Practicable Date. In addition, we had 13 tenders submitted, pending results, as at the Latest Practicable Date with an aggregate estimated contract sum of approximately HK\$800 million, including tenders for government-related or public infrastructure projects, covering both Security Guarding Services and Electronic Security Solutions Services. Having regard to our increasing tender success rate, project references and operating track record, our Directors believe that our Group is well-positioned to continue expanding our services and businesses.

We anticipate that our existing financial resources and manpower base may face increasing strain in fulfilling newly secured and anticipated projects and contracts on a timely basis. We therefore intend to dedicate additional resources in further enhancing our services capabilities and operational capacity as well as maintaining sufficient financial resources to enable us capturing the business opportunities.

(i) Security Guarding Services

The availability of our financial and human resources has been one of the constraints to our expansion in Security Guarding Services during the Track Record Period. New Security Guarding Services projects typically require substantial upfront mobilisation costs, including the recruitment and deployment of security personnel, uniforms, patrol vehicles, equipment, site preparation and other project start-up costs, which are generally borne and payable by us before

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we receive corresponding service income from our customers in arrear. We therefore generally experience a cash flow mismatch at the initial stage of a new project, which is more pronounced for larger-scale or more operationally demanding projects requiring greater upfront manpower deployment and equipment procurement. As a result, the number and scale of security guarding services projects we are able to undertake at any given time depend on the availability of our financial resources and manpower capacity to bridge this initial cash flow gap, in addition to meeting our general working capital requirements and the ongoing needs of our existing projects.

We intend to allocate approximately HK\$[REDACTED], or [REDACTED]% of the net [REDACTED] from the [REDACTED], to strengthen our working capital for security guarding services projects. Such working capital will mainly support project mobilisation, recruitment and deployment of security personnel, uniforms, patrol vehicles, equipment and other upfront costs for new projects before receiving payments from customers.

(ii) Electronic Security Solutions Services

We also expect increasing working capital needs from our Electronic Security Solutions Services. In particular, CCTV Projects may require us to deploy technical personnel and resources for site preparation, installation, testing, inspection and maintenance works within the implementation schedules required by customers.

In May 2025, we were awarded the CCTV Contract under our Electronic Security Solutions Services segment. The CCTV Contract is generally implemented through work orders placed by the customer from time to time according to its project rollout. As our customer engaged only a limited number of qualified suppliers or contractors for such works, our Directors believe that maintaining sufficient technical manpower and working capital is important for our Group to respond to work orders on a timely basis, fulfil project requirements and capture further opportunities under the CCTV Contract.

In addition to CCTV Projects, we intend to pursue other opportunities within the Electronic Security Solutions Services market, including access control systems, security equipment and related installation and maintenance works. As at the Latest Practicable Date, we had submitted tenders for access control systems, security equipment and related electronic security solutions projects with an aggregate estimated contract sum of approximately HK\$500 million, underscoring the scale of opportunity we are pursuing in this segment.

We intend to allocate approximately HK\$[REDACTED], or [REDACTED]% of the net [REDACTED] from the [REDACTED], to strengthen our working capital for Electronic Security Solutions Services projects. Our Directors believe that the net [REDACTED] will strengthen our capital base and enhance our capacity to undertake CCTV-related works and other electronic security solutions services projects following the [REDACTED].

Acquire vehicles to enhance project execution capacity and operational efficiency

As part of our broader business capacity expansion, we intend to acquire additional vehicles to support the timely mobilisation of manpower, equipment and materials across our expanding portfolio of project sites. We believe this is particularly important given the

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geographically dispersed (and, similar to the Three-runway System Project Site, even remote) nature of many of our projects would require efficient transportation of personnel across multiple access points and shift patterns.

For our Security Guarding Services, the increase in the number and scale of projects requires more efficient manpower deployment and staff transportation, as our security personnel may be required to work in shifts at different locations, including sites with limited public transportation access, early reporting times or late-night handover requirements. The provision of shuttle bus services may also help attract candidates when recruiting security personnel. For our Electronic Security Solutions Services, the expansion of our CCTV-related works and our intended pursuit of other projects are expected to increase our need for transportation support, as our technical personnel are typically required to carry various tools, equipment and materials of diverse sizes and weight to different project sites within customers’ implementation schedules.

We believe that owning a larger fleet of vehicles, rather than relying on ad hoc third-party transportation arrangements, will improve our operational responsiveness, reduce logistics-related delays in personnel and equipment deployment, and lower our long-term transportation costs. This is expected to be particularly beneficial for large-scale or multi-site contracts similar in nature to the Three-runway Contract and the Air Cargo Terminal Project, where timely and coordinated deployment of manpower across an extensive site area is critical to fulfilling contractual service standards.

In addition, our Group has been engaged to provide patrol vehicle rental support at an automated carpark at a transport-related facility, related to the “Southbound Travel for Guangdong Vehicles” initiative, under which designated vehicles must obtain restricted area permits before deployment. As at the Latest Practicable Date, our Group only has two vehicles available for this purpose, and our Directors consider that maintaining our own fleet would allow more effective permit application and deployment arrangements to ensure timely services delivery.

Having considered the above operational needs, we intend to allocate approximately HK\$[REDACTED], or [REDACTED]% of the net [REDACTED] from the [REDACTED], to acquire vehicles for our existing and future projects. The vehicles to be acquired are expected to include vans, trucks, shuttle buses and passenger vehicles. Our Directors believe that the acquisition of such vehicles will strengthen our operational capacity across both Security Guarding Services and Electronic Security Solutions Services, enhance our ability to mobilise manpower and equipment, and support our Group in undertaking more projects following the [REDACTED].

Develop security robots and technology-enabled integrated security solutions

Building on our existing Electronic Security Solutions Services segment, we intend to accelerate the research, development and commercialisation of security robots and related automation technologies through Arrano Huilun (a non-wholly owned subsidiary owned as to 61%, 33% and 6% by Arrano Technology, Guangzhou Huilun and an Independent Third Party). We believe robotic security solutions represent a structural growth opportunity for our Group, particularly in light of the exceptionally high segment growth of CAGR of approximately 35.6% from 2026 to 2030, reaching approximately HK\$616.1 million in 2030, according to Frost & Sullivan.

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Our robotic security solutions are intended to support and enhance our existing security guarding services by adding technology-enabled monitoring, crowd control, reporting and system integration capabilities. Depending on customer requirements and site conditions, the robots are expected to assist in image and video capture, remote monitoring, incident reporting, connection with CCTV systems and centralised intelligent security monitoring platforms, and integration with selected functions of our 4S system to better support our security operation workflow.

Pursuant to the business cooperation agreement entered into among the shareholders of Arrano Huilun, Arrano Huilun will serve as the principal platform for the development, sales, distribution and customer engagement of security robots in Hong Kong. To facilitate Arrano Huilun’s development of our own-branded robotic security solutions, (i) Arrano Technology will contribute its local security market know-how and knowledge (including customer requirement analysis, market development resources, sales channels, project management experience and after-sales maintenance) and to fund Arrano Huilun’s operations through interest-free shareholders’ loans of not less than the aggregate amount of HK\$10.0 million over its first three financial years; whereas (ii) Guangzhou Huilun (a company principally engaged in the manufacturing and sale of robots in the PRC) will license the relevant robot products and contribute its robotics-related technologies and development and manufacturing resources to Arrano Huilun and will receive an annual service fee of HK\$1.0 million during the initial three-year period. For further details, please refer to the paragraph headed “Connected transactions – Our continuing connected transactions” in the document.

Arrano Huilun has commenced recruiting its own team of technical personnel, and engaged two reputable local universities in Hong Kong, to carry out the research and development, customisation and practical application of security robots for local site conditions and customer requirements. Our Directors believe that the cooperation with Guangzhou Huilun, coupled with our in-house and locally-driven research and development approach and capability, allow our Group to leverage on the established robotics know-how and manufacturing capabilities of Guangzhou Huilun for fostering the development of our own-branded robotic security solutions, while enabling us to develop and adapt our robotic security solutions that are tailored to Hong Kong’s operating conditions and regulatory requirements.

Since launching our robot prototypes, we have showcased them at more than 10 technology exhibitions, industry seminars and customer demonstration events, including the HKTDC Hong Kong Electronics Fair (Spring Edition), the Asia-Pacific Smart Customs Conference and the Inno Expo @ Tai Po 2026. These events have generated positive feedback and active enquiries from potential customers and sales partners, providing us with valuable market validation as well as a better understanding of customer requirements, site conditions and potential deployment scenarios. Building on the market responses, we intend to develop multiple sales channels to commercialise our security robot solutions, adopting a channel-led approach supplemented by direct sales where appropriate. We intend to work with sales partners with local market access and technical capabilities, such as telecommunications service providers, system integrators and technology solution providers, who may help introduce our solutions to customers with needs in network connectivity, monitoring platforms, data transmission, system integration and large-site management. Where suitable, we may also promote our solutions directly to existing and potential customers, leveraging our own experience in security manpower deployment, patrol planning, incident handling and customer reporting. Our Directors believe that this multi-channel approach will allow us to leverage the customer networks and technical capabilities of our

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channel partners, while using our own security operation experience to identify suitable customer requirements and application scenarios. In this connection, we intend to apply HK\$[REDACTED] of the net [REDACTED] from the [REDACTED] to participate in exhibitions in Hong Kong, Mainland China and overseas.

In addition, we intend to apply HK\$[REDACTED] of the net [REDACTED] from the [REDACTED] to procure security robots and related equipment, recruit technicians for robot configuration, programming, testing, commissioning and maintenance support; upgrade our robot control and monitoring platform; set up a robot demonstration and support centre in Hong Kong for showroom, testing, repair and after-sales services.

Establish a centralised intelligent security monitoring platform and control room to enhance service quality, scalability and technology integration

According to the Frost & Sullivan Report, control rooms are increasingly used in the security services industry in Hong Kong to improve operational efficiency and service quality. In certain tenders, particularly tenders from customers with higher safety, operational or reporting standards, control room capability may be considered as part of the tender evaluation. Our Directors therefore believe that establishing a centralised intelligent security monitoring platform and control room will enhance our tender competitiveness and strengthen our ability to support large-scale projects and tender for higher-requirement contracts.

We intend to establish a 24-hour centralised intelligent monitoring platform and control room in Hong Kong to receive and manage video, alarm and operational signals from project sites, CCTV systems and security robots. The control room is expected to support real-time monitoring, incident handling, response coordination, reporting and customer communication.

The control room is expected to support our existing and future services by providing (i) a centralised reporting and escalation channel for security guarding services; (ii) monitoring and technical support for CCTV and electronic security solutions; and (iii) remote support, device monitoring and maintenance coordination for security robot-related solutions. Our Directors believe that this will enhance our integrated service offering by combining on-site security personnel, CCTV systems, security robots, centralised monitoring and technical support.

To support this strategy, we intend to allocate approximately HK\$[REDACTED] of the net [REDACTED] from the [REDACTED], to establish the control room. This includes rental of premises, monitoring and communication equipment, video and alarm receiving systems, software setup and recruitment of not more than nine controllers.

The Directors believe that the control room will improve our operational efficiency, response capability and scalability, and support the development of recurring monitoring, maintenance and technical support services for customers.

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OUR BUSINESS MODEL

We offer a diverse range of security services to accommodate different customers’ needs, which can be delivered on a stand-alone or in-combination basis, including:

Security Guarding Services

- General manned guarding: deployment of trained personnel for on-site security, property protection, and visitor management
- 24-hour surveillance and monitoring: continuous oversight and monitoring of premises using surveillance systems to detect and respond to potential threats, and to ensure a safe and secure environment
- Patrolling: regular security patrols to deter threats and to identify and mitigate risks before they escalate
- Site access control: securing site entrances and exits, including managing the movement of persons and/or vehicles to and from the site through electronic site access control system
- Operational manpower support: providing additional workforce to meet clients’ operational and event-specific needs
- Event and crisis security: overseeing and managing crowd activities during events to maintain order and ensure the safety of participants and staff
- Consultancy services: providing security services, including strategic manpower planning and the development of solutions to address issues arising from daily operations
- Ancillary facility support services, such as cleaning, administrative support and minor repair or installation support

Electronic Security Solutions Services

- Electronic systems management: procuring, designing, installing, operating, maintaining (and removing upon project completion, if required) electronic security systems such as CCTV, electronic guard tour system and radio communication system
- Access control system management: designing, procuring, installing, operating, maintaining (and removing upon project completion, if required) of electronic access control systems
- Develop technology-enabled security solutions: security robots and related deployment, research and development, configuration, rental or sale, maintenance and technical support, and centralised monitoring functions

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The table below sets out a breakdown of our revenue generated from Security Guarding Services and Electronic Security Solutions Services during the Track Record Period:

	FY2024		FY2025		3M2026	
	Revenue	% of total	Revenue	% of total	Revenue	% of total
	(HK\$'000)	revenue	(HK\$'000)	revenue	(HK\$'000)	revenue
Security Guarding Services	138,663	100.0	167,702	89.3	30,868	96.7
Electronic Security Solutions Services	–	–	20,006	10.7	1,050	3.3
Total	138,663	100.0	187,708	100.0	31,918	100.0

As shown in the above table, the total revenue generated from both segments increased from approximately HK\$138.7 million in FY2024 to approximately HK\$187.7 million in FY2025, representing an increase of 35.4%. For further details about our revenue during the Track Record Period, please refer to the section headed “Financial Information” in this document.

OUR PROJECTS

Our projects are generally undertaken on a contract or work order basis. Depending on the nature of the customer’s requirements, our projects may involve recurring services over a fixed contract term, ad hoc or one-off services, or order-based works under open contracts. The contract renewal rate for contracts that expired during the Track Record Period is approximately 52.4%.

During the Track Record Period and up to the Latest Practicable Date, our projects mainly included (i) Security Guarding Services at airport and air cargo facilities, residential and commercial properties and other operational sites; and (ii) Electronic Security Solutions Services projects, mainly comprising CCTV-related installation, testing, commissioning, warranty and maintenance works. During the Track Record Period and up to the Latest Practicable Date, the initial contract sums for our projects ranged from less than HK\$15,000 to HK\$295.5 million.

Our Directors confirm that there were no loss-making contracts during the Track Record Period and up to the Latest Practicable Date.

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The following table provides a summary of our major projects (i.e. contract sum in an amount not less than HK\$150,000) completed during the Track Record Period and up to the Latest Practicable Date:

Project name	Engaging party	Project details	Source of project	Term of project	Charging basis	Engaging term ⁽¹⁹⁾	Final contract sum ⁽²³⁾ (HK\$'000)	Revenue recognised FY 2024 (HK\$'000)	Revenue recognised FY 2025 (HK\$'000)	3M 2026 (HK\$'000)	Total revenue recognised during the Track Record Period (HK\$'000)
Project 01	Customer B ⁽¹⁾	Security services for a housing estate	Tendering	Fixed term	Actual Usage	1 Sep 2023 to 1 May 2025	16,998	10,242	3,446	-	13,688
Project 02 (or “Air Cargo Terminal Project”)	Air Cargo Terminal Operator ⁽²⁾	Security services at an air cargo terminal	Quotation	Fixed term	Actual Usage	1 Sep 2022 to 31 Dec 2024	3,292	1,417	-	-	1,417
Project 03 (or “Air Cargo Terminal Project”)	Air Cargo Terminal Operator ⁽²⁾	Security services at truck control office of air cargo terminal	Tendering	Fixed term	Actual Usage	1 Sep 2022 to 31 Dec 2024	4,154	2,045	-	-	2,045
Project 04	Customer A ⁽³⁾	Provision of security services at the Three-runway System Project Site	Quotation	Fixed term	Fixed fee	1 Jan 2023 to 28 Feb 2024	260	30	-	-	30
Project 05 (or “Three-runway System Project”)	Customer F ⁽⁴⁾	Security services at the Three-runway Project Site	Quotation	Fixed term	Actual Usage	13 Feb 2023 to 10 Jan 2026	1,440	496	521	14	1,031
Project 06	Customer G ⁽⁵⁾	Security services at a construction site	Quotation	Fixed term	Actual Usage	2 May 2023 to 31 Jan 2024	300	33	-	-	33
Project 07	Customer G ⁽⁵⁾	Security Services for District Cooling System at Kai Tak Development	Quotation	Fixed term	Actual Usage	7 Aug 2023 to 6 Aug 2024	276	167	-	-	167
Project 08	Customer G ⁽⁵⁾	Security services at a construction site	Quotation	Fixed term	Actual Usage	1 Sep 2024 to 30 Nov 2025	532	134	398	-	532
Project 09	Customer H ⁽⁶⁾	Provision of security services at a housing estate	Quotation	One-off	Fixed fee	30 Jun 2024	180	180	-	-	180
Project 10	Customer I ⁽⁸⁾	Security services for project foundation for public housing redevelopment	Quotation	Fixed term	Actual Usage	13 Jun 2024 to 26 Sep 2025	723	308	415	-	723

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Project name	Engaging party	Project details	Source of project	Term of project	Charging basis	Engaging term ⁽¹⁹⁾	Final contract sum ^(2,3) (HK\$'000)	Revenue recognised		3M 2026 (HK\$'000)	Track Record Period (HK\$'000)	Total revenue recognised during the
								FY 2024 (HK\$'000)	FY 2025 (HK\$'000)			
Project 11	Customer J ⁽⁹⁾	Cleaning services	Tendering	Fixed term	Actual Usage	27 Mar 2025 to 28 Feb 2026	2,936	-	2,883	53	2,936	
Project 12	Customer O ⁽¹⁰⁾	Security Services for a residential development in Kai Tak, Kowloon	Quotation	Fixed term	Actual Usage	1 Nov 2025 to 31 Mar 2026	195	-	96	99	195	
Project 13	Customer D ⁽¹²⁾	Provision of inspection services for CCTV systems at various location in Hong Kong	Quotation	Fixed term	Actual Usage	15 Nov 2025 to 31 Dec 2025	622	-	622	-	622	
Project 14	Customer D ⁽¹²⁾	Installation works of CCTV systems	Quotation	Fixed term	Actual Usage	4 Oct 2025 to 3 Nov 2025	174	-	174	-	174	
Project 15	Customer C ⁽¹³⁾	Security consultancy services	Quotation	Fixed term	Fixed fee	27 Jul 2024 to 3 Nov 2024	179	179	-	-	179	
Sub-total							32,261	15,231	8,555	166	23,952	

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The following table provides a summary of our major ongoing projects (i.e. contract sum in an amount not less than HK\$150,000) as at the Latest Practicable Date:

Project name	Engaging party	Project details	Source of project	Term of project	Charging basis	Engaging term ⁽¹⁹⁾	Initial contract sum (HK\$'000)	Revenue recognised during the Track Record Period	Revenue recognised during the Track Record Period	Revenue recognised during the Track Record Period	Total (HK\$'000)	Project backlog as at the Latest Practicable Date (HK\$'000)
Project 16 (or “Three-runway Contract”)	HKIA Operator ⁽¹⁴⁾	Security guarding services at the Three-runway Project Site	Acquisition	Fixed term	Actual usage	7 Jun 2021 to 31 Dec 2026	295,524	106,777	85,359	10,205	202,341	24,936
Project 17	Customer A ⁽³⁾	Security guarding services at the Three-runway Project Site	Quotation	Fixed term	Actual usage	1 Jul 2022 to 31 Dec 2027	Open Contract	15,664	20,921	4,397	40,982	32,324
Project 18 (or “Air Cargo Terminal Project”)	Air Cargo Terminal Operator ⁽²⁾	Security guarding services at truck control office of air cargo terminal	Tendering	Fixed term	Actual usage	1 Jan 2025 to 31 Dec 2026	3,712	-	1,814	470	2,284	1,436
Project 19 (or “Air Cargo Terminal Project”)	Air Cargo Terminal Operator ⁽²⁾	Security guarding services at an air cargo terminal	Tendering	Fixed term	Actual usage	1 Jan 2025 to 31 Dec 2027	129,671	-	40,693	10,465	51,158	78,327
Project 20	Customer E ⁽⁷⁾	Security guarding services for certain department	Quotation	Fixed term	Actual usage	1 Apr 2024 to 31 Jul 2026	Open Contract	545	2,476	571	3,592	669
Project 21	Customer I ⁽⁸⁾	Security guarding services for a residential development in Yuen Long, New Territories	Quotation	Fixed term	Actual usage	22 May 2026 to 21 May 2028	1,142	-	-	-	-	1,142
Project 22	Customer C ⁽¹³⁾	Security consultancy services	Quotation	Fixed term	Fixed fee	1 Nov 2024 to 30 Sep 2027	5,775	330	1,980	495	2,805	2,970
Project 23	Customer K ⁽¹¹⁾	Security guarding services for construction site	Quotation	Fixed term	Actual usage	9 Jan 2026 to 31 Dec 2026	368	-	-	86	86	282
Project 24	Customer K ⁽¹¹⁾	Security guarding services for construction site	Quotation	Fixed term	Actual usage	14 May 2026 to 31 Dec 2026	196	-	-	-	-	196
Project KT	Jones Lang LaSalle	Security guarding services for KT Marina	Quotation	Fixed term	Actual usage	1 Apr 2025 to 31 Mar 2027	17,232	-	5,662	2,168	7,830	9,002

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Project name	Engaging party	Project details	Source of project	Term of project	Charging basis	Engaging term ⁽¹⁹⁾	Initial contract sum (HK\$'000)	Revenue recognised during the Track Record Period			Project backlog as at the Latest Practicable Date (HK\$'000)	
							FY2024 (HK\$'000)	FY2025 (HK\$'000)	3M2026 (HK\$'000)	Total (HK\$'000)		
Project 25	Customer J ⁽⁹⁾	Security guarding services	Quotation	Fixed term	Actual usage	16 May 2025 to 31 Jul 2026	308	-	331	132	463	176
Project 26	Customer L ⁽¹⁵⁾	Security guarding services for a museum	Quotation	Fixed term	Actual usage	1 Aug 2025 to 31 Jul 2026	274	-	116	68	184	91
Project 27	Customer L ⁽¹⁵⁾	Security guarding services for a major road infrastructure construction site	Quotation	Fixed term	Actual usage	1 Sep 2025 to 28 Feb 2027	410	-	95	68	163	251
Project 28	Customer L ⁽¹⁵⁾	Security guarding services for a major road infrastructure construction site	Quotation	Fixed term	Actual usage	1 Sep 2025 to 28 Feb 2027	410	-	92	68	160	251
Project 29	Customer L ⁽¹⁵⁾	Security guarding services for a major road infrastructure construction site	Quotation	Fixed term	Actual usage	1 Feb 2026 to 31 Jan 2027	571	-	-	95	95	476
Project 30	Customer L ⁽¹⁵⁾	Security services for a major road infrastructure construction site	Quotation	Fixed term	Actual usage	16 Feb 2026 to 28 Feb 2027	571	-	-	59	59	513
Project 31	Customer M ⁽¹⁶⁾	Security services for an automated carpark at a transport-related facility	Quotation	Fixed term	Actual usage	15 Nov 2025 to 31 Dec 2026	2,171	-	199	502	701	1,547
Project 32	Customer M ⁽¹⁶⁾	Security vehicle patrolling services	Quotation	Fixed term	Actual usage	1 Jan 2026 to 31 Dec 2026	1,496	-	-	339	339	1,152
Project 33	Customer D ⁽¹²⁾	Installation of CCTV system	Quotation	No contract end date	Fixed fee based on Purchase Order	Since 19 May 2025	Open Contract	-	19,210	819	20,029	11,827
Project 34	Customer D ⁽¹²⁾	Project C – Warranty and Services	Tendering	Fixed term	Fixed fee based on Purchase Order	19 Jan 2026 to 30 May 2029	Open contract	-	-	231	231	7,595
Project 35	Customer D ⁽¹²⁾	Project C – Professional Technical Support	Tendering	Fixed term	Fixed fee	8 Jun 2026 to 31 Dec 2026	324	-	-	-	-	287
Project 36	Customer N ⁽¹⁷⁾	Security guarding services at a commercial complex in Admiralty, Hong Kong	Tendering	Fixed term	Actual usage	1 Oct 2026 – 30 Sep 2029	25,634	-	-	-	-	25,634

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Project name	Engaging party	Project details	Source of project	Term of project	Charging basis	Engaging term ⁽¹⁹⁾	Initial contract sum (HK\$'000)	Revenue recognised during the Track Record Period			Total (HK\$'000)	Project backlog as at the Latest Practicable Date (HK\$'000)
								FY2024 (HK\$'000)	FY2025 (HK\$'000)	3M2026 (HK\$'000)		
Project 37	Customer N ⁽¹⁷⁾	Security consultancy services	Tendering	Fixed term	Actual usage	1 Dec 2025 to 30 Nov 2026	362	-	17	66	83	237
Project 38	Customer P ⁽¹⁸⁾	Security guarding services at a data center	Tendering	Fixed term	Actual usage	1 Apr 2026 to 31 Dec 2026	484	-	-	-	-	484
Project 39	Customer Q ⁽¹⁹⁾	Docking assistance services at a cross-boundary passenger ferry terminal in Tsim Sha Tsui, Kowloon	Quotation	Fixed term	Actual usage	6 Apr 2026 to 5 Apr 2027	3,208	-	-	-	-	2,880
Project 40	Customer R ⁽²⁰⁾	Installation of facial recognition system	Tendering	Fixed term	Percentage of completion	18 May 2026 to 31 Mar 2027	12,348	-	-	-	-	12,524
Project 41	Customer S ⁽²¹⁾	Security services for residence	Quotation	Fixed term	Actual usage	1 May 2026 to 30 Apr 2027	330	-	-	-	-	330
Sub-total							511,751	123,316	178,965	31,304	333,585	217,539

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Notes:

- (1) A facilities management company principally engaged in the provision of comprehensive management services for various properties in Hong Kong, including commercial, residential, and institutional buildings.
- (2) A private company principally engaged in air cargo handling at HKIA.
- (3) A joint venture formed by two construction contractors, acting as a contractor on the Three-runway System Project Site.
- (4) A joint venture formed by three construction contractors, acting as a contractor on the Three-runway System Project Site.
- (5) A licensed electrical contracting company in Hong Kong specialising in electrical engineering design, installation, testing, commissioning, maintenance and project management of electrical systems, including high-voltage works.
- (6) A private company principally engaged in the provision of cleaning services.
- (7) A private company principally engaged in managing and operating large-scale retail stores in Hong Kong.
- (8) A private company in Hong Kong principally engaged in the foundation piling business and specialised in both percussive and non-percussive piling works, barrettes and diaphragm walls and deep basement construction and has a sizeable fleet of advanced piling equipment and experienced workforce.
- (9) A PRC company principally engaged in engaging in international economic cooperation as the earliest Chinese state-owned enterprise in fields of water and hydropower industry.
- (10) A private company owned by three property development groups and is associated with the development of a residential property in Kai Tak, Kowloon.
- (11) A private company principally engaged in supply and delivery of ready-mixed concrete in Hong Kong.
- (12) A private company principally engaged in telecommunications and related services business in Hong Kong.
- (13) A private company principally engaged in the design, installation, maintenance and repairing of security systems and devices. During the Track Record Period, it was also one of our suppliers. For details, please refer to the paragraph headed “Top Five Customers” below in this section.
- (14) The HKIA Operator, a statutory body wholly owned by the Hong Kong Government, is responsible for the operation and development of the HKIA.
- (15) An unincorporated joint venture formed by two construction contractors where one of the contractors principally engaged in global civil engineering and construction projects such as highways, railways, bridges, ports and tunnels, including in the Hong Kong market while the other contractor principally engaged in civil engineering and building construction works mainly in Hong Kong.
- (16) A private company which operates a cross-border transport facility within HKIA.
- (17) A majority government-owned, publicly listed company that operates Hong Kong’s primary public transit network.
- (18) A private company within a major telecommunications group in Hong Kong which operates a data center and a submarine cable landing facility in the southern part of Hong Kong Island.
- (19) A major regional ferry operator in Hong Kong.
- (20) A private company principally engaged in IoT and security solutions.
- (21) A private company principally engaged in co-living business.
- (22) The engaging term represents the service period under the relevant project, taking into account any subsequent renewal, extension or replacement contract, where the original engagement did not have a fixed term, the end date shown represents the latest expiry date agreed between the parties.

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- (23) The final contract sum represents the aggregate of the initial contract sum and any subsequent contract sum arising from contract renewal(s) and/or additional sum received pursuant to variation order(s), where applicable.

Breakdown of the total revenue, gross profit and gross profit margin by source of projects

The breakdown of the total revenue, gross profit and gross profit margin for each type of source of project undertaken during the Track Record Period are set out in the table below:

Source of project	Revenue recognised during the Track Record Period			Gross profit/Gross profit margin					
	FY2024	FY2025	3M2026	FY2024	FY2025		3M2026		
	approx. (HK\$'000)	approx. (HK\$'000)	approx. (HK\$'000)	approx. (HK\$'000)	%	approx. (HK\$'000)	%	approx. (HK\$'000)	%
Tendering and quotation	31,886	102,349	21,713	8,032	25.2%	21,002	20.5%	4,410	20.3%
Acquisition	106,777	85,359	10,205	28,643	26.8%	27,170	31.8%	3,604	35.3%
Total	138,663	187,708	31,918	36,675		48,172		8,014	

Note: “Acquisition” represented solely the Three-runway Contract. Its gross profit margin was generally higher than that of tendering and quotation projects, as the contract pricing reflected the 24-hour manpower requirements and demanding working conditions at the open-air construction site on the airport island.

Backlog, project movement and the total revenue estimated to be recognised

The following table sets out the backlog, movement in the number of our projects during the Track Record Period and up to the Latest Practicable Date, and the total revenue estimated to be recognised after the Latest Practicable Date:

	FY2024/ as at 31 December 2024	FY2025/ as at 31 December 2025	3M2026/ as at 31 March 2026	As at the Latest Practicable Date
Opening number of projects	10	11	21	27
Add: Number of new projects awarded to us (including projects awarded but not yet commenced)	13	18	17	7
Less: Number of projects completed	12	8	11	6
Ending number of projects	11	21	27	28

As at the Latest Practicable Date, we had 28 projects in our backlog with revenue of approximately HK\$220 million expected to be recognised after the Latest Practicable Date.

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Tender success rate

The following table sets out the number of tenders submitted and successful tenders in each year during the Track Record Period:

	FY2024	FY2025	3M2026
Number of tenders submitted with results as at the Latest Practicable Date	16	9	5
Number of successful tenders	2	5	3
Success rate	12.5%	55.6%	60.0%

Our customers typically evaluate tenders or quotations received on a scoring basis, whereby marks are assigned across a number of pre-determined assessment criteria, and the tender or quotation with the contract generally awarded to the highest aggregate scorer (especially for more sizeable and complex projects). Such assessment criteria typically include, among others, pricing, execution plan, project references, manpower availability, service quality, operational capability, financial standing, licence status, years of relevant experience and ability to ensure service continuity.

Our tender success rate was relatively low in FY2024, primarily because our relatively short operating history at that time resulted in our Group achieving lower score under the experience-related evaluation criterion and resulted in our overall lower tender success rate. Our tender success rate subsequently increased significantly, from approximately 12.5% in FY2024 to approximately 55.6% in FY2025, and further to approximately 60.0% in 3M2026, as our lengthening operating history and visible track record of project delivery, stronger job references and enhanced market visibility and reputation allowed us to achieve stronger scores across these evaluation criteria.

The Three-runway Contract

The Three-runway Contract represents one of our milestone projects in our operating history, which involves the provision of security services for the HKIA Operator at the Three-runway System Project Site. The Three-runway System Project Site is one of Hong Kong’s largest public infrastructure developments in recent years, covering an extensive land area of approximately 650 hectares and involving up to approximately 250,000 personnel working on-site on a monthly basis. Its scale and complexity necessitated us to efficiently and effectively carry out access and crowd control, site security control, surveillance monitoring, as well as accident/crime prevention and emergencies management on a 24-hour, 7 days a week basis. Further, we have provided support to government authorities and disciplinary forces during their anti-crime operations at the Three-runway System Project Site.

The Three-runway Contract was initially awarded by the HKIA Operator with an initial contract sum of approximately HK\$295.5 million to an unincorporated joint venture i.e. the Initial JV formed in 2019 for the purpose of performing the Three-runway Contract. The Three-runway Contract commenced on 4 April 2019 and did not have a fixed expiry date under its original terms. The interests in the Initial JV were held as to 70% by the Initial JV Majority

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Interest Holder (an Independent Third Party company incorporated in Hong Kong in 2015, principally engaged in the provision of security and risk management solutions and with its principal place of business in Hong Kong), and as to 30% by the JV Partner (an Independent Third Party company. In June 2021, we acquired the 70% interests held by the Initial JV Majority Interest Holder at the consideration of HK\$11 million, which was determined after arm’s length negotiations between our Company and the Initial JV Majority Interest Holder taking into account, among others, (i) the then estimated remaining economic value of the Three-runway Contract; (ii) the early receipt by Initial JV Majority Interest Holder of proceeds and discharge of obligations and liabilities under the contract, coupled with its intention to depart from the construction site security industry; (iii) the Initial JV Majority Interest Holder’s contribution to the performance bond; and (iv) the proportionate interests of the Initial JV Majority Interest Holder in the joint venture. Upon completion of such acquisition, a new unincorporated joint venture interested as to 70% and 30% by us and the JV Partner was formed (the “**Arrano JV**”), with the Three-runway Contract novated to it for continued performance with the express consent of the HKIA Operator.

In January 2022, with the accumulated capability and operational experience in the day-to-day performance of the Three-runway Contract and financial resources to independently manage the entire Three-runway Contract, we entered into an entitlements acquisition arrangement with the JV Partner acquiring all its rights, benefits, obligations and liabilities in the Arrano JV at the consideration of HK\$10 million (the “**Entitlements Acquisition**”), which was determined after arm’s length negotiations between our Group and the JV Partner taking into account, among others, (i) the then projected returns expected to be generated over the remaining contract period of the Three-runway Contract up to the initial contract ending date of June 2025; and (ii) the proportionate interest of the JV Partner in the Arrano JV. Following completion of the Entitlements Acquisition, we effectively took up and assumed the management and operation of the entire Three-runway Contract, while the JV Partner remained as a named joint venture partner of Arrano JV.

It subsequently came to our attention that the group of companies to which the JV Partner belonged (the “**JV Group**”) might face financial difficulties in 2023, with actual insolvency proceedings initiated in Hong Kong against certain companies within the JV Group by creditors unrelated to our Group and/or the Arrano JV in early 2025. To mitigate any potential impact of such insolvency proceedings on the Arrano JV and the Three-runway Contract, the HKIA Operator, the JV Partner and us entered into a deed of novation on 30 April 2025, pursuant to which the Three-runway Contract was novated to our Group (the “**Novation**”).

Since the Novation, our Group has continued to perform the Three-runway Contract, and the service period has been further extended until 31 December 2026. Under the Three-runway Contract, a performance bond is required to be issued in favour of the HKIA Operator. A performance bond was initially arranged by a company within the JV Group, while our Group deposited a cash deposit of HK\$3.5 million (the “**Bond Security Sum**”) with the JV Group as our proportionate contribution to such performance bond. In light of the Novation, we have arranged a new performance bond issued by a licensed bank in Hong Kong to replace the performance bond arranged by the JV Group. Our Group had also recognised an impairment of the Bond Security Sum amounting to HK\$2.3 million and HK\$1.0 million in FY2023 and FY2024 respectively.

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To the best knowledge and belief of our Directors having made due enquiries, during the Track Record Period and up to the Latest Practicable Date, there was (i) no material disruption to the operation and performance of the Three-runway Contract; (ii) no material dispute between any of the HKIA Operator and the Arrano JV and our Group; and (iii) no enforcement of any of the previous or prevailing performance bond by the HKIA Operator.

OUR CUSTOMERS

During the Track Record Period, our customers mainly comprised corporate and institutional customers in Hong Kong with security guarding and/or electronic security needs. The number of customers contributing to our Group’s revenue was 12, 19 and 14 for FY2024, FY2025 and 3M2026, respectively.

During the Track Record Period, all of our customers were based in Hong Kong and our revenue was denominated in Hong Kong dollars.

Principal terms of our Security Guarding Services contracts

We provide security services to our customers on a project-by-project basis. Our customers generally confirm our engagement by entering into formal agreements with us, issuing letters of award or approving our quotation letters. The contracts are generally either for a fixed-term or for one-off services. Our principal terms of engagements with customers are summarised as follows:

Scope of works

The contracts set out the scope of security services to be carried out by us, along with other project specifications or requirements. These typically include the quantity of security personnel, the required hours of service, the service location and the service period.

Duration

The contracts usually specify the commencement date and the service period of the project implementation, which typically ranges from 2 months to 3 years. Extensions may be granted by the customers where necessary. In addition to fixed-term engagements, we also provide one-off services based on specific customer requirements.

Contract sum

During the Track Record Period, we generally adopted two pricing bases to charge our customers depending on the nature of security services provided. Usually, provision of manpower services is based on actual usage on re-measurement basis, and provision of other services such as consulting and installation and maintenance of security system is on fixed-fee basis.

For projects based on actual usage, the contracts typically set out an estimated contract value, which is determined based on agreed unit rates (such as hourly rates) and the estimated quantities of work items (such as number of security personnel required per month). The final

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value of work performed depends on the instructions issued by customers during the engagement period. As a result, the total actual value of work completed could differ from the initial estimated contract sum stated in the Contracts.

For details on our pricing strategy, please refer to the paragraph headed “Sales and marketing – Pricing policy” below in this section.

Price adjustment

Some of the contracts include a mechanism that allows our Group to adjust service fees in response to changes in the statutory minimum wage. However, some contracts do not include such mechanisms, but we are obliged to comply with the statutory minimum wage requirements and will ensure that our employees are paid in accordance with the law. For details, please refer to the paragraph headed “Sales and marketing – Pricing policy” below in this section.

Payment terms and arrangement

We issue invoices either on a monthly basis or upon the completion of our services. Typically, our Group submits payment applications to the customer on a monthly basis, referencing the amount payable for the services performed (such as hours of manpower provided) as stated in the contract. Upon receiving our payment application, the customer examines and certifies the services provided in the preceding month by issuing a payment certificate. This certification process generally takes around 20 to 30 days. Once the payment certificate is issued, the customer typically approves and settles our invoices within the agreed credit period.

Insurance

Generally, our Group has to take out, at our expense, and to maintain and renew upon expiry, public liability insurance and employees’ compensation insurance. For further details, please refer to the paragraph headed “Insurance” below in this section.

For certain projects, third-party liability insurance, covering liability to pay damages and compensation for injury or death of any person, as well as loss or damage to any property, would be provided by the customers or project owners themselves.

Performance guarantee

It is common practice for customers in certain project sectors (such as public infrastructure) to require contractors to take out performance bonds at a fixed sum or a certain percentage of the contract sum to secure due performance and compliance with the contracts.

The HKIA Operator required the Group to provide a performance bond as a security measure to guarantee due performance under the relevant contract. The performance bond amounted to HK\$5.0 million, representing approximately 2% of the contract sum. According to the Frost & Sullivan Report, this percentage is consistent with industry practices. For more details on performance bonds, please refer to the paragraph headed “Quality assurance – Performance bonds” below in this section.

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Penalty clause

Some of the contracts include a penalty clause whereby if we fail to supply any manpower as agreed, the client shall be entitled to impose a penalty charge equal to twice the hourly rate as stipulated in such contract.

Termination

Generally, both parties may terminate the contracts in the event of a material breach of such Contracts or by serving one month's notice. During the Track Record Period and up to the Latest Practicable Date, save for one contract with initial contract sum of approximately HK\$1.8 million which was terminated early and replaced with a new contract of initial contract sum of approximately HK\$5.8 million with more comprehensive service coverage, there was no early termination of any other of our contracts.

Principal terms of our Electronic Security Solutions contracts

During the Track Record Period, our revenue from Electronic Security Solutions Services was mainly derived from the CCTV Contract. The principal terms of the CCTV Contract are summarised below.

Scope of work

The scope of work covers the design and installation of the CCTV system.

Order price

The total order price is variable and shall be determined based on: (1) the type and quantity of equipment deployed; and/or (2) the number of implementation jobs preferred, as instructed by the end customer.

Unit prices serve as maximum rates during the contract period and cannot be increased without Customer D's prior written consent. The unit prices for different types of CCTV installation works are fixed under the contract. The actual order price will be calculated based on the type and quantity of CCTV installation works ordered by Customer D, applying the relevant unit prices set out in the CCTV Contract.

Payment

Customer D shall pay within 30 days after receipt of invoice, following satisfactory completion of installation and site functional test.

Key obligations

Arrano Security must comply with technical specifications, delivery milestones, testing and commissioning requirements, health and safety requirements, confidentiality obligations and other project requirements.

Warranty

The warranty and maintenance support period is 36 months from issuance of the relevant system acceptance certificate.

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Termination

Customer D may terminate any order or the agreement by giving not less than three months’ notice. Customer D may also cancel or terminate if Arrano Security fails to deliver works, pass testing and commissioning, comply with technical requirements, or perform to the satisfaction of Customer D/end customer.

TOP FIVE CUSTOMERS

For FY2024, FY2025 and 3M2026, revenue generated from our top five customers, in aggregate, accounted for approximately HK\$136.7 million, HK\$174.5 million and HK\$28.8 million, respectively, representing approximately 98.6%, 93.0% and 90.2% of our total revenue for the respective periods. Revenue attributable to the HKIA Operator, our largest customer for FY2024 and FY2025, amounted to approximately HK\$106.8 million and HK\$85.4 million, respectively, representing approximately 77.0% and 45.5% of our total revenue for the respective years. Revenue attributable to the Air Cargo Terminal Operator, our largest customer for 3M2026 amounted to approximately HK\$10.9 million, representing approximately 34.3% of our total revenue for that period.

The following tables set out the profile of each of our five largest customers during the Track Record Period:

FY2024

Rank	Customer	Products/ Services provided	Commencement of business relationship	Approximate amount of revenue (HK\$'000)	Approximate percentage of total revenue (%)	Settlement method	Credit terms
1	HKIA Operator ⁽¹⁾	Provision of security services on Three Runway Project Site	2021	106,777	77.0	bank transfer	21 days
2	Customer A ⁽²⁾	Provision of security services on Three Runway Project Site	2021	15,694	11.3	bank transfer	14 days
3	Customer B ⁽³⁾	Provision of security services for a housing estate	2023	10,242	7.4	cheque	60 days
4	Air Cargo Terminal Operator ⁽⁴⁾	Provision of security services	2022	3,473	2.5	bank transfer	30 days
5	Customer C ⁽⁵⁾	Provision of security consultancy services	2024	549	0.4	bank transfer	60 days
Total revenue from our top five customers				136,735	98.6		

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FY2025

Rank	Customer	Products/ Services provided	Commencement of business relationship	Approximate amount of revenue (HK\$'000)	Approximate percentage of total revenue (%)	Settlement method	Credit terms
1	HKIA Operator ⁽¹⁾	Provision of security services on Three Runway Project Site	2021	85,359	45.5	Bank Transfer	21 days
2	Air Cargo Terminal Operator ⁽⁴⁾	Provision of security services	2022	42,514	22.7	Bank Transfer	30 days
3	Customer A ⁽²⁾	Provision of security services on Three Runway Project Site	2021	20,921	11.1	Bank Transfer	14 days
4	Customer D ⁽⁶⁾	Installation of CCTV systems	2025	20,006	10.7	Bank Transfer	30 days
5	Jones Lang LaSalle	Provision of security services at KT Marina	2025	5,722	3.0	Cheque	30 days
Total revenue from our top five customers				174,522	93.0		

3M2026

Rank	Customer	Products/ Services provided	Commencement of business relationship	Approximate amount of revenue (HK\$'000)	Approximate percentage of total revenue (%)	Settlement method	Credit terms
1	Air Cargo Terminal Operator ⁽⁴⁾	Provision of security services	2022	10,943	34.3	Bank transfer	30 days
2	HKIA Operator ⁽¹⁾	Provision of security services on Three Runway Project Site	2021	10,205	32.0	Bank transfer	21 days
3	Customer A ⁽²⁾	Provision of security services on Three Runway Project Site	2021	4,397	13.8	Bank transfer	14 days
4	Jones Lang LaSalle	Provision of security services at KT Marina	2025	2,168	6.8	Cheque	30 days
5	Customer D ⁽⁶⁾	Installation of CCTV systems	2025	1,050	3.3	Bank transfer	30 days
Total revenue from our top five customers				28,763	90.2		

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Notes:

- (1) The HKIA Operator, a statutory body wholly-owned by the Hong Kong Government, is responsible for the operation and development of the HKIA.
- (2) A joint venture formed by two construction contractors, acting as a contractor on the Three-runway System Project Site.
- (3) A private company principally engaged in the provision of property and facilities management services in Hong Kong.
- (4) A private company principally engaged in air cargo handling at HKIA.
- (5) A private company principally engaged in the design, installation, maintenance and repairing of security systems and devices. During the Track Record Period, it was also one of our suppliers. For details, please refer to the paragraph headed “Top customer who was also our supplier” below in this section.
- (6) A private company principally engaged in telecommunications and related services business in Hong Kong.

To the best knowledge of our Directors, none of our Directors, chief executives, or any person who owns more than 5% of the issued share capital of our Company or any of its subsidiaries, or any of their respective close associates, has had or has any interest in any of our top five customers during the Track Record Period. Save as disclosed in this document, all of our top five customers during the Track Record Period are Independent Third Parties.

Client concentration

For FY2024 and FY2025, our top five customers accounted for approximately 98.6% and 93.0% of our total revenue, respectively, with approximately 77.0% and 45.5% of our total revenue attributable to our largest customer (the HKIA Operator), amounting to approximately HK\$106.8 million and HK\$85.4 million for the respective years. For 3M2025 and 3M2026, our top five customers accounted for approximately 98.0% and 90.2% of our total revenue, respectively, with 59.1% and 34.3% of our total revenue attributable to our largest customer (the HKIA operator and Air Cargo Terminal Operator respectively), amounting to approximately HK\$28.8 million and HK\$10.9 million for the respective periods. Our historical client concentration reflects the nature of the security services industry and would not have any material adverse impact on the sustainability of our business for the following reasons:

(i) Historical concentration was reasonable in context

Our Directors are of the view that the historical concentration of our revenue with the HKIA Operator, and specifically the Three-runway Contract, was not unreasonable in the circumstances. The Three-runway Contract related to the Three-runway System Project Site, a sizeable and high-profile public infrastructure project of significant scale, complexity and technical demand, requiring specialised manpower deployment, sustained on-site coordination, and adherence to stringent operational standards befitting a critical piece of Hong Kong’s aviation infrastructure. Given the scale and unique operational requirements of the project, it was commercially rational, and indeed necessary, for our Group to devote a substantial proportion of our operational capacity, workforce and management attention to fulfil our obligations under the Three-runway Contract during the relevant periods. Our Group’s successful and consistent performance under the Three-runway Contract, evidenced by the continued trust placed by the HKIA Operator, reflects positively on our operational

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capabilities and reliability as a contractor for large-scale, technically demanding projects. Our Directors therefore consider that the historical revenue concentration was a natural consequence of securing and satisfactorily performing a contract of this scale and complexity.

(ii) Demonstrated reduction in reliance on the Three-runway Contract

During the Track Record Period, our reliance on the HKIA Operator has declined progressively and materially. Revenue derived from the HKIA Operator decreased from approximately HK\$106.8 million in FY2024 to approximately HK\$85.4 million in FY2025, and further from approximately HK\$28.8 million in 3M2025 to approximately HK\$10.2 million in 3M2026, representing a decline in the proportion of such revenue by approximately 31.5% from FY2024 to FY2025 and by approximately 27.1% from 3M2025 to 3M2026.

As the manpower requirements and revenue contribution of the three-runway system-related projects declined during the Track Record Period and are expected to decline further, our Group intends to redeploy relevant personnel to its existing and newly awarded non-three-runway system-related projects, with any remaining reduction in manpower requirements expected to be absorbed through normal staff turnover. Notwithstanding the expected reduction in the Three-runway System Projects, as at 31 December 2024 and 2025, 31 March 2026 and the Latest Practicable Date, our Group had 435, 340, 331 and 446 employees, respectively, reflecting a broadly consistent pool of workers during the Track Record Period.

Further, our non-three-runway system revenue increased from approximately HK\$15.7 million in FY2024 to approximately HK\$80.9 million in FY2025, and our Group had 28 backlog projects with expected revenue of approximately HK\$220 million as at the Latest Practicable Date.

(iii) Consistent ability to secure new business from diverse range of customers

Our Group has demonstrated a solid track record in converting business development efforts into new contracts across multiple industries. Our tender success rate rose markedly during the Track Record Period, from approximately 12.5% in FY2024 to approximately 55.6% in FY2025, and further to approximately 60.0% in 3M2026. This upward trajectory reflects the growing recognition of our operational capabilities and reputation in the market, and directly supports the broadening of our customer base.

The improved tender success rate has translated into tangible growth in both the number and diversity of our clients. We secured 6 new clients in FY2024, 11 new clients in FY2025, and 5 new clients in 3M2026, spanning industries such as air cargo terminal operations, telecommunications, construction, and property management. As at the Latest Practicable Date, our project backlog had grown to 28 projects, up from 11 projects as at 31 December 2024. In addition, our total revenue increased by approximately 35.4% from approximately HK\$138.7 million in FY2024 to approximately HK\$187.7 million in FY2025.

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Notably, while the HKIA Operator and the Air Cargo Terminal Operator remained among our top five customers in both FY2024 and FY2025, the identity of our other top customers changed from year to year, evidencing continuous client acquisition rather than reliance on a static set of relationships. Illustrative examples of this diversification include: (a) a contract awarded in FY2024 with the Air Cargo Terminal Operator (initial contract sum of approximately HK\$129.7 million, term from 2025 to 2027) for manpower and security workforce services; (b) a contract awarded in FY2025 with Jones Lang LaSalle (initial contract sum of approximately HK\$17.2 million, term from 1 April 2025 to 31 March 2027) covering manpower supply, access control, patrolling, incident handling and customer-facing services; and (c) the CCTV Contract awarded in FY2025 by Customer D, one of Hong Kong’s major telecommunications and technology solutions providers, covering the design, installation and maintenance of CCTV systems.

Taken together, our rising tender success rate, expanding customer base, and growing and staggered project backlog demonstrate our Group’s consistent ability to convert satisfactory project performance and reputation into new business opportunities across a widening range of industries, thereby reducing the long-term concentration risk associated with reliance on any single customer or project.

(iv) Strategic Expansion into Electronic Security Solutions Services

Another key driver for the reduction in our client concentration is our deliberate diversification beyond the sole provision of Security Guarding Services into Electronic Security Solutions Services (encompassing CCTV-related services, electronic access control systems, and robotics-based security solutions), with revenue of approximately HK\$20.0 million recognised in FY2025 and expected to continue to grow in the near future in light of the CCTV Contract.

Through such expansion of revenue stream, new customer segment distinct from our traditional Security Guarding Services customers (such as the HKIA Operator and the Air Cargo Terminal Operator) are introduced to our Group. The CCTV Contract, for instance, was awarded by Customer D, one of Hong Kong’s major telecommunications and technology solutions providers, who became one of our top five customers in FY2025. Such expansion also reduced our structural dependence on labour-intensive, single-project revenue streams (such as the Three-runway Contract), instead positioning our Group to capture the rising demand and opportunities for technology-enabled security solutions.

Our Directors believe that the continued development of Electronic Security Solutions Services will further diversify our customer and revenue base over time, complementing our Security Guarding Services business and reducing our reliance on any single customer, project or service segment.

In light of the above, our Directors consider that the expected completion of the Three-Runway System Project in the revenue and profit contribution from the three-runway system-related projects is not expected to materially disrupt our operations or overall financial performance.

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Top customer who was also our supplier

During the Track Record Period, we have provided security services (including security consulting and security guarding) to Customer C as well as engaged them as our supplier for technology services such as maintenance of software. As such, Customer C was both our supplier and customer during the Track Record Period, and also one of our top five customers in FY2025.

Customer C engaged us for our expertise in a diverse range of security projects, whereas we engaged Customer C for their expertise in advanced technology and software in relation to security services. Customer C who was principally engaged in the design, installation, maintenance and repairing of security systems and devices had business needs for security-related consultancy and support services, including advice on manpower planning, procurement and deployment of manpower where necessary, implementation of day-to-day operational strategies, project-level operational resource planning, and advice on operational issues arising from daily security-related operations. As such, Customer C engaged us as its security service provider to provide them with the aforementioned services.

As our operational needs evolved, we no longer required the technology services provided by Customer C with effect from May 2026. The relevant service agreement was terminated accordingly, and Customer C has since ceased to be our supplier.

The following table sets forth the details of our transactions with Customer C during the Track Record Period:

	FY2024	FY2025	3M2026
Sales			
Revenue (HK\$'000)	549	1,980	495
As a percentage of our revenue	0.4%	1.1%	1.6%
Gross profit (HK\$'000)	199	720	180
Gross profit margin	36.2%	36.4%	36.4%
Purchases			
Purchase (HK\$'000)	40	129	24
As a percentage of our total amount of purchases	0.2%	0.4%	1.4%

SALES AND MARKETING

Pricing policy

We generally charge our customers on an actual usage basis or fixed-fee basis, depending on the nature of services provided. Our pricing is generally determined using a cost-plus pricing model. Such service fees are payable on a monthly basis or upon completion of services. According to the Frost & Sullivan Report, charging on an actual usage basis or fixed-fee basis is the industry pricing approach in the Hong Kong security services market. During the Track

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Record Period, 41 out of 50 of our projects were charged on an actual usage basis for our security services, while 9 out of 50 of our projects was charged on a fixed-fee basis.

When we tender for a new project agreement in relation to manpower provision or negotiate the renewal of an existing one with our customers, we determine our pricing with reference to the stipulated or expected number of employees and workers required for each position, while taking into account different factors. These factors include: (i) the location and type of the properties; (ii) frequency that our services will be performed; (iii) our estimated operational expenses, such as labour, materials and administrative costs; (iv) our targeted profit margins; (v) the pricing of similar projects; (vi) an evaluation of our competitors’ pricing; and (vii) the overall potential for business growth within our Group. We also regularly review and evaluate the fees we charge for the provision of our services, comparing them against our financial performance to ensure that our targeted profit margins are maintained. This process also allows us to assess whether adjustments to our fees are necessary when renewing our agreements.

We have also considered the potential impact of changes in the statutory minimum wage pursuant to the Minimum Wage Ordinance from time to time. Some of our contracts include a mechanism that allows our Group to adjust service fees in response to changes in the statutory minimum wage. However, some contracts do not include such mechanisms, but we are obliged to comply with the statutory minimum wage requirements and will ensure that our employees are paid in accordance with the law.

Our clients may sometimes require our security services on an ad hoc or urgent basis, such as for overnight security guarding. In such situations, our Group has a list of both full-time and casual employees to mobilise the necessary manpower to meet these ad hoc demands. While our ability to respond promptly and satisfy client needs within a short timeframe is one of our strengths, our management recognises the importance of formalising such arrangements. To ensure clarity and proper documentation, our contracts include payment terms for ad hoc manpower, and we will obtain a clear request, such as a letter of request or an email request, from the client before proceeding. We will then appropriately plan for the required manpower and upon completion of work, we will issue an invoice to the client.

In light of the increasing labour cost and the labour-intensive nature of our business, it is important for us to accurately estimate our cost when preparing tenders or pricing our services. We believe that our clients expect a precise assessment of cost, including potential increases in labour cost, before submitting quotation or entering into service contracts. Therefore, we generally take potential changes in labour cost into account at the tendering or quotation stage, rather than relying on ad hoc fee adjustment. By carefully assessing cost during the preparation of our quotation, we aim to incorporate potential service cost increases into our pricing and mitigate the risk of unexpected cost increments over time.

For certain services such as the installation and maintenance of security systems, we generally charge clients on a fixed-fee basis using a cost-plus pricing model. For details on the risks involved, please refer to the paragraph headed “Risk Factors – Risks relating to our business – Our provision of services on a fixed fee basis could subject us to losses if we subsequently incur excess expenses in delivering our services to clients” in this document.

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Payment and credit policy

Our clients typically settle payment via cheque or bank transfer in Hong Kong dollars. We issue invoices either on a monthly basis or upon the completion of our services. During the Track Record Period, the credit period granted to our customers was approximately 14 to 60 days. The majority of trade receivables that are neither past due nor impaired have no history of defaulting on repayments.

Our management is responsible for establishing our credit policy, while our finance department handles the implementation and monitoring of receivable settlements. Before accepting a new client, our Group evaluates the client’s credit quality and assigns credit limits accordingly. Credit limits and terms granted to clients are reviewed on a regular basis.

Marketing

During the Track Record Period, we secured new business primarily through quotation and open tender. Our Directors believe that our track record and our relationship with existing customers form the foundation of our marketing. By leveraging our established customer base and reputation in Hong Kong’s security service industry, we minimise reliance on extensive marketing campaign. Instead, we focus on promoting our Group by maintaining business relationships with existing and potential customers through regular communication, as well as our website.

Additionally, we take pride in our team of highly reputable and experienced consultants. Our Directors believe that their extensive expertise and professionalism in delivering advice have become key elements in enhancing our brand. Their reliability and strong reputation within the industry further reinforce our position in the market and contribute to our ability to attract and retain clients.

Seasonality

Our Group did not experience material seasonal fluctuations during the Track Record Period.

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OUR OPERATION

Licences and certifications

For a summary of the laws and regulations related to our business and industry, please refer to the section headed “Regulatory Overview” in this document.

As at the Latest Practicable Date, members of our Group held the following licences and qualifications that are material to our business operations:

Licence	Issuing authority	Qualification/Standard	Holder	Expiry date
Security Company Licence	SGSIA	Type I – Provision of security guarding services; and Type III – Installation, maintenance and/or repairing of a security device and/or designing (for any particular premises or place) a security system incorporating a security device	Arrano Security	20 March 2027
Security Company Licence	SGSIA	Type I – Provision of security guarding services; and Type III – Installation, maintenance and/or repairing of a security device and/or designing (for any particular premises or place) a security system incorporating a security device	Arrano Group	16 January 2030

As confirmed by our Directors, after obtaining legal advice from the Company’s legal advisers, during the Track Record Period and up to the Latest Practicable Date, we had obtained all the necessary approvals, permits, consents, licences, permissions, authorisations, certificates and/or registrations required for our business and operations. As confirmed by our Directors, during the Track Record Period and up to the Latest Practicable Date, we had complied with the conditions of the above Security Company Licences and that there would be no impediment to renewing the above Security Company Licences.

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The table below outlines other licences and certifications held by members of our Group as at the Latest Practicable Date:

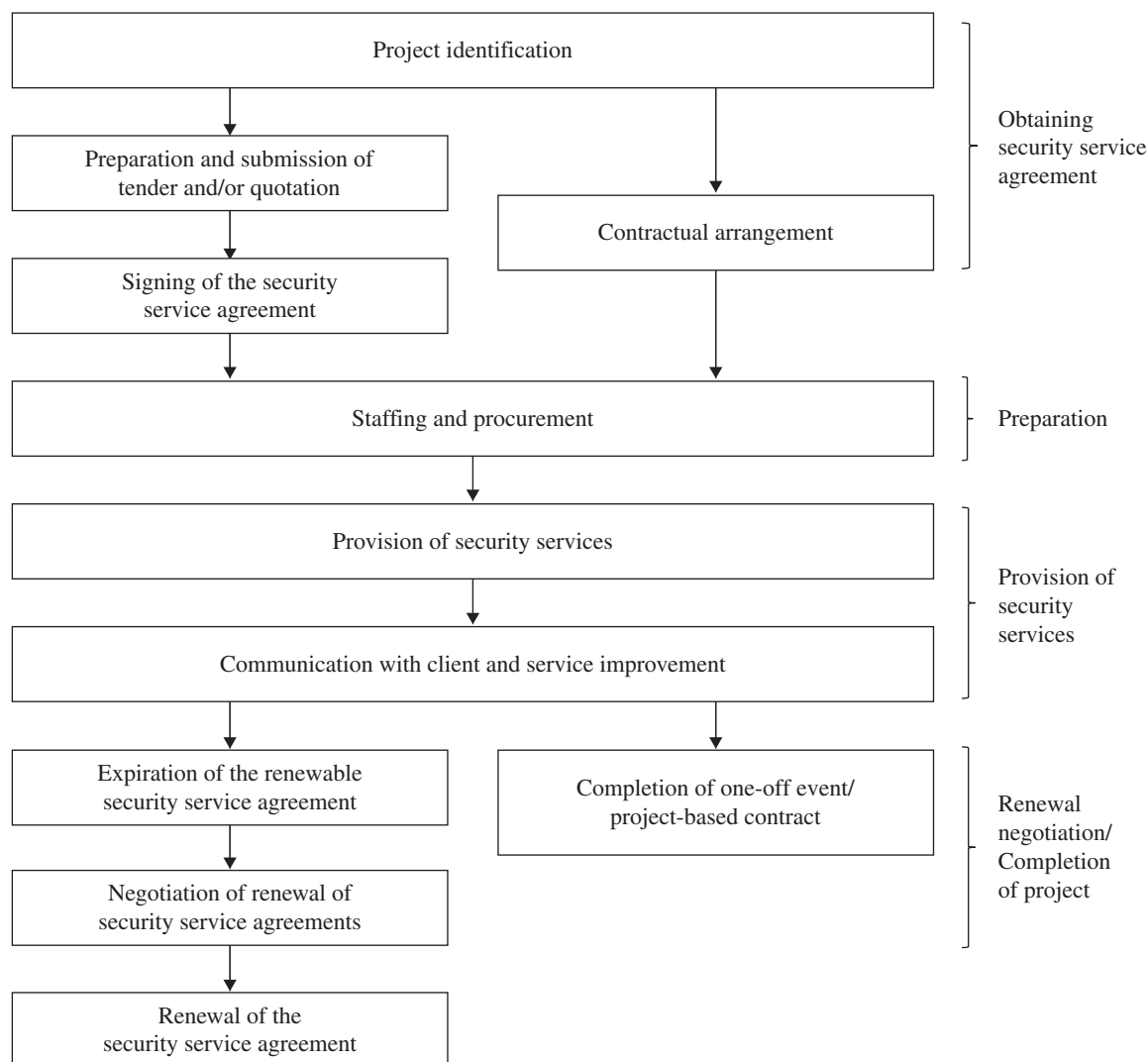
Licence and certification	Issuing authority	Qualification/Standard	Holder	Expiry date
Certificate of Registration of Electrical Contractor	Electrical and Mechanical Services Department of the Government of Hong Kong	N/A	Arrano Security; and Arrano Technology	15 July 2027
Property Company Management Licence	Property Management Services Authority	N/A	Arrano Security	21 May 2029
Quality Management Systems	Accredited Certification International Limited	ISO 9001:2015 accreditation for the provision of security services in Hong Kong at designated sites	Arrano Security	25 May 2027
Environmental Management Systems	Accredited Certification International Limited	ISO 14001:2015 accreditation for the provision of security services in Hong Kong at designated sites	Arrano Security	25 May 2027
Occupational Health and Safety Management Systems	Accredited Certification International Limited	ISO 45001:2018 accreditation for the provision of security services in Hong Kong at designated sites	Arrano Security	25 May 2027

For details of the licences and qualifications held by our employees, please refer to the paragraph headed “Our employees – Licences and qualifications of employees” below in this section.

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Operational procedures

The following flowchart illustrates a brief process of the provision of our security services, from identifying a project to renewal or expiration of a service agreement:



Obtaining security service agreement

We mainly secure security service agreements through open tendering or quotation processes. Contracts that are not obtained through tendering are generally secured by way of quotation with potential clients, or via acquisition. We do not intend to conduct acquisitions to obtain new projects in the future as we intend to mainly approach new potential clients by way of tendering or quotation processes.

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Our management actively identifies and evaluates new tender opportunities in the market. We have also, from time to time, received invitations for tenders or quotations from potential customers for the provision of security services. Upon identifying a potential tender, we conduct a feasibility study to assess key factors, including the project size, resource and qualification requirements and scope of services. Following management approval of the feasibility study, we prepare and submit the tender documents within the required time frame. A standard tender process typically takes approximately one to three months, from receiving the tender invitation to the announcement of results.

Potential clients typically assess our financial capability, safety and environmental management systems and technical expertise. Some may have tender evaluation systems that assess financial and other considerations, such as management standards, industry expertise, reputation and compliance with regulatory requirements. Some tenders also include restrictions, such as disqualifying applicants with a specified number of demerit points due to prior contractual breaches.

For contracts secured without open tendering, we use a quotation-based process. After understanding our clients’ instructions and requirements, our sales and marketing team, in collaboration with our operations team, prepares quotations. These are based on factors such as expected profit margins, project location, client background, urgency of the intended timetable, prevailing market rates, project complexity and expected time and resources required. The final draft of the quotation is submitted to management for approval. This step involves a thorough evaluation to confirm that the proposal adheres to our pricing guidelines, risk management policies and profitability benchmarks.

Upon approval, the quotation is submitted to the client. A standard quotation process typically takes approximately one to six months from an initial submission to the execution of the contract. Once the quotation is accepted by the client, we proceed to sign the agreement, which outlines the terms and conditions of the services to be provided.

Prior to the Track Record Period, we secured the Three-runway Contract through acquisition. For details of the acquisition of the Three-runway Contract, please refer to the paragraph headed “The Three-runway Contract” in this section.

Preparation

Once our engagement is confirmed, we establish a project management team, typically comprising a project manager and/or one or more supervisors, depending on the size and complexity of the project. The project management team is tasked with conducting an internal assessment to gain a full understanding of the scope of services. They also prepare an allocation plan for frontline workers and equipment required for the project and coordinate with our operations department regarding procurement and subcontracting arrangements, as necessary.

Our management and operation team will convene meetings with clients and other relevant parties. During these meetings, the current condition of the property is usually inspected, specific management arrangements and any particular client requirements will be discussed and agreed. This process ensures that both parties have a clear understanding of the operational expectations and deliverables before services commence.

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We ensure our security personnel deployed on-site receive trainings in accordance with the SSGSO. For some projects, we conduct induction safety training courses for personnel employed in the performance of our services prior to their deployment. The preparation work generally takes approximately 4 to 6 weeks to complete.

In addition, if required, we will provide a performance bond to secure our performance under the terms of the relevant contract. For further information of performance bonds, please refer to the paragraph headed “Quality assurance – Performance bonds” below in this section.

Provision of security services

We deliver security services through our frontline staff and workers in accordance with the scope of services outlined in the agreements entered into with our customers. Our project management team is responsible for monitoring the daily operations and quality of our services, as well as addressing and resolving any issues that may arise. The terms of our engagement generally range from 2 months to 3 years.

To ensure our service quality, we have implemented a quality assurance system designed to supervise and maintain the standards of our operations. Our operations team maintains regular communication with the project management team and provides updates to our management to ensure alignment and accountability. We actively encourage our customers to share their feedback, as it allows us to continuously improve our service delivery. For further details, please refer to the paragraph headed “Quality assurance” below in this section.

Renewal negotiation

We typically begin negotiations with customers or initiate preparations for tenders, which are mandatory processes for certain projects, within two to three months prior to the expiration of the existing agreement. Our management and financial department review the financial performance of the current engagement and evaluates the projected profitability for renewal.

In cases where renewal is not successful, the security service agreement will expire or conclude automatically upon its expiration, in line with the terms of the agreement.

QUALITY ASSURANCE

Service standards and certifications

We are committed to delivering high-quality security services to meet customer requirements, which are vital to our continued success. We have implemented a set of measures on each key operational process starting from recruitment and formulated guidelines and policies to be adhered by our employees to ensure they could meet the demands and requirements of our clients and work in a safe environment.

Our management, operations team and project management team work together to uphold service standards and ensure consistent service delivery. Our chief operating officer oversees the quality assurance function to ensure alignment with our standards. Each of the managed properties has been assigned a project manager and/or supervisor for daily operations, who

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reports to the operations department. The operations department regularly reports to senior management to ensure accountability and continuous improvement.

Our management system is certified to the following international standards:

- ISO 9001:2015 – Accreditation for quality management in the provision of security services in Hong Kong at designated sites.
- ISO 14001:2015 – Accreditation for environmental management in the provision of security services in Hong Kong at designated sites.
- ISO 45001:2018 – Accreditation for occupational health and safety management in the provision of security services in Hong Kong at designated sites.

These certifications enhance our public image, credibility and customer confidence, reflecting our commitment to quality, safety and sustainability.

Performance bonds

As a security for our due performance under the relevant contracts, some customers may require our Group to provide performance bonds, typically not exceeding 2% to 5% of the contract sum. These bonds are typically issued by banks after a project is awarded.

For performance bonds issued by a bank, the bank may require a deposit of a sum equal to the amount guaranteed under the bond with the bank. The bank may use this deposit to reimburse any compensation paid to our customer under the terms of the bond.

If we fail to perform satisfactorily under the relevant contracts or fail to comply with the terms, conditions and specifications of contracts with our customers, such customers are entitled to claim compensation under the performance bonds from the banks. The amount of compensation is capped at the bond amount, and depending on the terms of the performance bonds and the amount of premiums, our Group may be required to reimburse the issuer of the bond for any claims paid to the customers.

During the Track Record Period and up to 5 February 2026, a performance bond of HK\$5.0 million was arranged through an Independent Third Party associated with the JV Partner in favour of the HKIA Operator to secure the due performance of the Three-runway Contract. Under this historical arrangement, our Group contributed HK\$3.5 million as cash deposit, representing our then 70% share of the bond security amount.

Following the Novation dated 30 April 2025, our Group arranged for a new performance bond of HK\$5.0 million issued by a licensed bank in Hong Kong in favour of the HKIA Operator. The new performance bond took effect on 5 February 2026 and replaced the previous performance bond. As at the Latest Practicable Date, such new performance bond remained in force.

During the Track Record Period and up to the Latest Practicable Date, no claim had been made by the HKIA Operator under the previous or the new performance bond.

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Quality inspection

At the on-site level, each managed project is assigned a project management team responsible for daily monitoring of service quality and progress. Outstanding issues are reported to our operation team for guidance.

Our operations team oversees all managed properties and conducts regular inspections to ensure our service quality. Weekly on-site inspections are typically carried out to assess service execution, record keeping, complaint handling and internal management. These inspections identify issues, assign responsibility and follow up on resolutions from previous assessments. As our security services include 24-hour surveillance, patrolling, guarding and access control, inspections are also conducted at midnight to ensure staff adhere to their duties. Our operations team provides regular reports to senior management, ensuring accountability and enabling continuous improvement in service delivery.

The Crime Prevention Bureau of the Hong Kong Police Force conducts annual inspection of our Group. As part of this process, we are required to prepare and provide a list of documents, including a letter of authorisation, a valid business registration certificate, a valid employees’ compensation insurance policy, a valid public liability insurance policy and an updated employee list. The employee list must include, among other details, the names of security service personnel and the expiry dates of their corresponding Security Personnel Permits. During the Track Record Period, our Directors confirm that we have complied with the requirements of the annual inspection, and no material breach has been identified.

Recruitment and screening

We have established a standard recruitment and screening process to evaluate the background, employment history, academic qualifications, professional credentials, integrity and experience of candidates to ensure they meet the requirements of our clients. All applicants are required to complete an application form detailing their background when applying to become our employees.

For candidates applying for security personnel position, we will conduct reference check on their employment history and verifies the validity of their Security Personnel Permits against the list of revoked, cancelled, or suspended permits provided by the Licensing Department of the Hong Kong Police Force. Besides, our Group is notified by the Licensing Department if the Security Personnel Permit of any of our employees is revoked.

Code of conduct for security personnel and trainings

The conduct of our security personnel is guided by staff discipline guideline provided during orientation. This guideline ensures professionalism and compliance with both our Group and clients’ expectations. It outlines key requirements, such as punctuality and strict fulfillment of job responsibilities. Security personnel must perform their duties with fairness, courtesy and compliance with all applicable laws. Some clients may impose specific codes of conduct that security personnel are required to follow based on the nature of the site.

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To uphold these standards, we provide a code of conduct and hold regular training sessions. These initiatives ensure that security personnel act courteously and professionally when interacting with staff, visitors and the public, as well as when handling incidents at their assigned locations.

Security personnel are strictly prohibited from engaging in any form of misconduct, including: (i) arriving late, unauthorised absence or entering areas outside their assigned duties; (ii) damaging properties, misusing facilities or engaging in criminal activities; (iii) sleeping, drinking alcohol, gambling or using foul language while on duty; (iv) negligence, failure to follow lawful instructions or refusal to wear the proper uniform; and (v) soliciting or accepting bribes, gifts or favors from clients, staff or the public.

We ensure that all security personnel deployed on-site undergo training in compliance with the SGSO. For certain projects, we also provide induction safety training courses to all personnel involved in delivering our services before their deployment.

Client evaluation and complaint handling

We highly value clients feedback for continuously improving our services. To better understand our customers' needs and enhance our service quality, our management and operations department periodically communicate with customers to gather their feedback. Any areas for improvement are identified, documented and assigned to the responsible staff for rectification and follow-up.

In the ordinary course of our business operations, we occasionally receive suggestions and complaints from customers regarding our services. We encourage our customers to share their complaints directly with the project manager, the operations team or the management.

To ensure complaints will be promptly handled, our on-site staff is trained to address issues immediately whenever possible. Upon receiving a complaint, the on-site project team assesses the situation, provides an initial response and takes immediate remedial actions to resolve the issue on the spot. If the matter requires further investigation or escalation, the details are promptly reported to the operations team or management for follow-up. This approach ensures that customer concerns are addressed efficiently and professionally, minimising inconvenience and maintaining service quality.

There were no material complaints during the Track Record Period and up to the Latest Practicable Date.

OUR SUPPLIERS AND SUBCONTRACTORS

During the Track Record Period, our suppliers primarily fell into two categories: (i) subcontractors providing security manpower; and (ii) suppliers supporting operational needs, such as the provision of water and sanitation services, fuel and equipment, and transportation. During the Track Record Period, we have established stable business relationships with our major suppliers. During the Track Record Period, all our suppliers and subcontractors were based in Hong Kong and our purchases were denominated in Hong Kong dollars.

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For a discussion of the fluctuations in our purchases from suppliers and subcontractors during the Track Record Period, as well as the relevant sensitivity analysis, please refer to the paragraph headed “Financial information – Key factors affecting our results of operations and financial conditions – Price fluctuations of labour and subcontracting costs” in this document.

Our suppliers

Basis of selecting suppliers

We evaluate our suppliers by considering factors such as the quality of their products and services, capacity, pricing, past experience with us, professional qualifications and regulatory licences, reliability and creditworthiness. Our operations department conducts regular evaluations for both existing and potential suppliers. The process begins with the collection of preliminary background information about suppliers through physical visits and online inquiries. Qualified suppliers are then shortlisted and invited by our Group to submit quotations.

Once an engagement is confirmed by our customer, we discuss the scope of services required with the suppliers to ensure they deliver their products or services on time and in accordance with the customers’ requirements. In respect of subcontractors for security personnel, we will discuss with them the terms including the number of personnel deployed and their actual working hours.

In FY2024, we procured shuttle bus services from one of our top five suppliers, Perfect Nations Limited. This supplier is owned as to 50% by Well Smart, being one of our Controlling Shareholders, and 50% by a company wholly-owned by Ms. Yip, our executive Director. To address the potential conflict of interest, we have implemented several internal control measures to ensure that all transactions with this supplier are conducted on an arm’s length basis and under normal commercial terms. These measures include regular reviews of service quality, pricing and compliance to ensure that our procurement decisions remain in the best interests of the Group. Our Directors confirm that all transactions with this supplier were conducted on an arm’s length basis and under normal commercial terms in FY2024. For further details regarding related party transactions during the Track Record Period, please refer to note 31 to the Accountants’ Report in Appendix I to this document.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any shortages or delays in the supply of goods or services that had a material impact on our operations. This highlights the effectiveness of our supplier selection process and the stability of our supplier relationships, even when managing diverse suppliers, including those with close connections to members of our management team.

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Principal terms of engagement

Key terms	Description
Specification of products/ Scope of services	<p>For products such as equipment, this is generally in the form of a price list or purchase order specifying the unit price, product specification, quantity, delivery date of the products required.</p> <p>For services such as suction service, the service scope, period and price are generally specified in a quotation. For other services such as transportation, there are long term service contracts designating the service scope and monthly fee.</p>
Minimum purchase commitment	Generally none
Payment terms	<p>For goods delivered, our suppliers generally issue an invoice to us for the outstanding payment upon delivery.</p> <p>For services provided, our suppliers generally issue monthly invoice for the monthly service fee.</p> <p>The credit period granted by our suppliers is usually 0–90 days.</p>
Termination	For long term service contracts, generally either party may terminate with one-month written notice.

Our subcontractors

Due to the nature of our labour-intensive business, we have engaged subcontractors to provide security manpower. Our Directors believe that the subcontracting arrangement is economically-efficient and allows us to ensure sufficient supply of security manpower as required by customers. During the Track Record Period and up to the Latest Practicable Date, we did not act as a subcontractor in the provision of security manpower to other parties. During the Track Record Period, our Group’s subcontracting fees amounted to approximately HK\$11.0 million, HK\$18.9 million and HK\$0.1 million, representing approximately 10.8%, 13.6% and 0.3% of our total cost of services, respectively.

BUSINESS

Principle terms of engagement

Typically, the agreements entered into between us and the subcontractors relating to the provision of manpower services include the following terms:

Key terms	Description
Scope of services	The scope of manpower services to be provided by the subcontractor is set out. We require our subcontractors to adhere to the specifications and requirements of our customers (e.g. hours and location of work).
Fees	Generally based on hourly rate or an all-inclusive monthly charge. There is usually an adjustment mechanism for any adjustment pursuant to changes to the statutory minimum wage from time to time.
Payment terms	Subcontractors generally issue monthly invoice for actual hours worked. The credit period granted by subcontractors is usually 0 to 90 days.
Insurance	We typically provide third party liability insurance and employees’ compensation insurance which cover our subcontractors.
Indemnity	Subcontractors are required to indemnify us against any claims, damages, costs and expenses made against us or incurred by us by reason of any breach of the subcontractor under the subcontracting agreement.
Termination	We are entitled to terminate the agreement in the event of breach of contract by our subcontractor. Either party may terminate by giving three months’ notice.

In relation to the CCTV Contract, we entered into agreements with the subcontractors for cable-laying work, which include the following key terms:

Key terms	Description
Scope of services	The subcontractors are responsible for cable-laying work, including the provision of labour and materials, in accordance with the specifications, locations and other requirements set out in the relevant purchase orders.
Fees	Generally based on the fees set out in the quotation provided by the subcontractor and agreed upon through the issuance of purchase orders.

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Key terms	Description
Payment terms	The subcontractors will issue invoice upon completion of the relevant works. The credit period generally ranges from 0 to 27 days, depending on the terms agreed with the relevant subcontractor, where no credit period is specified, payment is due upon completion of the works and submission of the relevant invoice and supporting documents.
Insurance	We typically provide third party liability insurance and employees’ compensation insurance which cover our subcontractors.
Duration	The subcontractor are engaged on a project-by-project basis, and each engagement generally ends upon completion of the works specified in the relevant purchase order.

Top five suppliers

During the Track Record Period, purchase amounts from our top five suppliers, in aggregate, accounted for approximately HK\$15.3 million, HK\$19.2 million and HK\$1.0 million, respectively, representing approximately 79.8%, 67.1% and 57.8% of our total purchases for the respective years. Purchase amounts attributable to our largest supplier during the Track Record Period amounted to approximately HK\$11.0 million, HK\$5.2 million and HK\$0.4 million, respectively, representing approximately 57.6%, 18.2% and 20.6% of our total purchases for the respective years.

The following tables set out the profile of each of our five largest suppliers during the Track Record Period:

FY2024

Rank	Supplier	Main products/ services provided to our Group	Commencement of business relationship	Approximate amount of purchase (HK\$'000)	Approximate percentage of total purchase amount (%)	Settlement method	Credit terms
1	Subcontractor A ⁽¹⁾	Provision of security personnel	2021	11,028	57.6	Bank transfer	90 days
2	Supplier C ⁽³⁾	Fuel	2021	1,465	7.7	Bank transfer	0 day
3	Perfect Nations Limited ⁽⁵⁾	Provision of shuttle bus service	2023	1,040	5.4	Bank transfer	30 days
4	Supplier D ⁽⁴⁾	Provision of generator rental service	2021	882	4.6	Bank transfer	30 days
5	Supplier B ⁽²⁾	Provision of distilled water, suction services and mobile toilets	2021	863	4.5	Bank transfer	0 day
Total purchases from our top five suppliers				15,278	79.8		

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FY2025

Rank	Suppliers	Main products/ services provided to our Group	Commencement of business relationship	Approximate amount of purchase (HK\$'000)	Approximate percentage of total purchase amount (%)	Settlement method	Credit terms
1	Supplier E ⁽⁶⁾	Provision of cable-laying services	2025	5,212	18.2	Bank transfer	14 days upon completion
2	Supplier F ⁽⁷⁾	Provision of cable-laying services	2025	5,107	17.8	Bank transfer	27 days upon completion
3	Subcontractor A ⁽¹⁾	Provision of security personnel	2021	5,055	17.6	Bank transfer	90 days
4	Supplier G ⁽⁸⁾	Provision of cleaning services	2025	2,489	8.7	Bank transfer	0 day
5	Supplier D ⁽⁴⁾	Provision of generator rental service and secondment of technical officers	2021	1,385	4.8	Bank transfer	30 days
Total purchases from our top five suppliers				19,248	67.1		

3M2026

Rank	Suppliers	Main products/ services provided to our Group	Commencement of business relationship	Approximate amount of purchase (HK\$'000)	Approximate percentage of total purchase amount (%)	Settlement method	Credit terms
1.	Supplier H ⁽⁹⁾	Provision of cable-laying services	2026	360	20.6	Bank transfer	0 day
2.	Supplier I ⁽¹⁰⁾	Provision of shuttle bus service	2025	210	12.0	Bank transfer	7 days
3.	Supplier B ⁽²⁾	Provision of distilled water, suction services, mobile toilet	2021	195	11.1	Bank transfer	0 day
4.	Supplier J ⁽¹¹⁾	Provision of project management services	2025	151	8.6	Bank transfer	45 days
5.	Supplier K ⁽¹²⁾	Provision of patrol vehicles rental services	2021	96	5.5	Bank transfer	0 day
Total purchases from our top five suppliers				1,012	57.8		

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Notes:

- (1) A local security services provider incorporated in 1996 and a subsidiary of a facility services provider listed on the Stock Exchange.
- (2) A local support services provider incorporated in 2020 to contractors, subcontractors and service providers of the Three-runway System Project. It is owned as to 50% each by Mr. Fong Chun Ho (“**Mr. Fong CH**”), who is the step-brother of Mr. Fong, our executive Director and an Independent Third Party.
- (3) A local supplier incorporated in 2014 and distributor of fuel for contractors at the Three-runway System Project Site.
- (4) A local security supplies provider incorporated in 2021 that offers a range of security products, such as security equipment, construction site gear and personal safety gear.
- (5) A local shuttle bus service provider incorporated in 2021. As at the Latest Practicable Date, it is owned as to 50% by Well Smart, being one of our Controlling Shareholders, and 50% by a company wholly-owned by Ms. Yip, our executive Director. As such, it is an associate of Well Smart and Ms. Yip, and a connected person of our Group accordingly.
- (6) A local private limited company incorporated in 2024 and principally engaged in engineering services in Hong Kong.
- (7) A local private limited company incorporated in 2025 and providing a range of engineering services, including electric works and structured cabling.
- (8) A local private limited company incorporated in 2018 and providing a range of engineering services, including ancillary services such as cleaning.
- (9) A local private company incorporated in 2012 with its registered business nature stated as construction.
- (10) A local private company incorporated in 1992 providing passenger transportation services including residential shuttle bus, school bus and employee transportation services.
- (11) A private company and a Hong Kong-based professional training and security services provider.
- (12) A private company that provides vehicle rental services. As at the Latest Practicable Date, it is wholly-owned by Mr. Fong CH, who is the step-brother of Mr. Fong, our executive Director. As such, Mr. Fong CH is an associate of Mr. Fong, and a connected person of our Group accordingly. As Supplier K is wholly-owned by Mr. Fong CH, a connected person, therefore Supplier K is an associate of Mr. Fong, and a connected person of our Group accordingly.

Save as disclosed in this document, our five largest suppliers in each year during the Track Record Period were Independent Third Parties. As at the Latest Practicable Date, none of our Directors, their respective close associates or our Shareholders who, to the best knowledge of our Directors, owned more than 5% of the total number of issued Shares held any interest in any of our five largest suppliers in each year during the Track Record Period.

Supplier concentration

When we first commenced providing security services under the Three-runway Contract several years prior to the Track Record Period, our Group faced manpower constraints in meeting the substantial and immediate operational requirements of this large-scale project, given our relatively limited workforce and operational capacity at that early stage. To bridge this gap, we engaged Subcontractor A to supplement our manpower and fulfil the requirements of the Three-runway Contract. During FY2024, purchase amounts attributable to Subcontractor A amounted to approximately HK\$11.0 million, representing approximately 57.6% of our total

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purchases for that year, with an average of approximately 28 security personnel engaged through Subcontractor A on a monthly basis.

As our Group grew and gained greater operational experience over the years, we progressively built up our own workforce, capability and expertise in security manpower deployment, thereby reducing our reliance on Subcontractor A. Purchase amounts attributable to Subcontractor A decreased by approximately 54.2% to approximately HK\$5.1 million (representing approximately 17.6% of our total purchase) in FY2025, while the average number of security personnel engaged through Subcontractor A on a monthly basis fell to approximately 17. We did not engage Subcontractor A at all during 3M2026. This reduction and eventual cessation was primarily attributable to the Three-runway Contract progressing towards its completion, resulting in a corresponding decrease in the manpower requirements stipulated by the HKIA Operator, coupled with our Group's sizeable in-house workforce which we had built up over the years that enabled us to fulfil the remaining manpower needs internally without further reliance on Subcontractor A. Our Directors confirm that there was no dispute or disagreement with Subcontractor A during the Track Record Period and up to the Latest Practicable Date, and that our Group has maintained a good working relationship with Subcontractor A and we would continue to be able to re-engage Subcontractor A in the future if and when necessary.

OUR EMPLOYEES

As the security services industry is a labour-intensive industry, we believe our success depends in part on our ability to maintain a stable operational workforce so as to deliver consistent and quality services to our clients. Apart from engaging subcontractors to provide security manpower, we also recruit our employees for security manpower from the open market, primarily through the publication of job advertisements and referrals.

As at 31 December 2024, 31 December 2025 and 31 March 2026 and the Latest Practicable Date, we had a total of 491, 469, 431 and 446 employees, respectively. Our employees as at the Latest Practicable Date included 350 full-time and 96 casual workers. We maintain a pool of casual employees to handle ad hoc and urgent work requests from our clients. By performing screening procedures in advance during recruitment, we ensure the consistent delivery of high-quality services.

Our workforce comprises both domestic and imported workers (with 65, 59, 54 and 47 imported workers employed as at 31 December 2024 and 2025, as at 31 March 2026 and the Latest Practicable Date). While the average monthly labour costs for imported workers and domestic workers are comparable, imported workers are employed for certain operational reasons. First, the average employee turnover rate for imported workers during the Track Record Period was notably lower than that of domestic workers, at approximately 1% compared to approximately 9% respectively. Second, our imported workers were mostly deployed as security personnel in two of our Security Guarding Services projects situated at the Three-runway System Project Site. Given the relatively remote location of these projects on Lantau Island, our Group experienced greater difficulty in recruiting domestic workers. The Directors therefore consider that the employment of imported workers helped maintain a more stable workforce for relevant projects.

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The following table sets out a breakdown of the number of our employees by function as at the Latest Practicable Date:

	No. of employees with Security Personnel Permit	No. of non-licensed employees	Total
Management and operations	10	20	30
Security services	416	0	416
Total	426	20	446

The following table sets out a breakdown of our security personnel by employment source as at the Latest Practicable Date:

	No. of security personnel
Security services	
– Local	399
– Import workers	47
Total	446

The following table sets out a breakdown of the number of our employees by gender and age group during the Track Record Period and as at the Latest Practicable Date:

	FY2024	FY2025	3M2025	3M2026	Latest Practicable Date
By Gender					
Male	332	305	321	283	283
Female	159	164	182	148	163
Total	491	469	503	431	446
By Age Group					
18–30	69	64	68	63	57
31–40	49	66	50	61	60
41–50	126	117	126	107	107
>50	247	222	259	200	222
Total	491	469	503	431	446

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We enter into individual written employment contracts with our full time and casual employees, covering matters that generally include the scope of services, working hours, wages, work location, employee benefits and grounds for termination. We also require all our employees to read and adhere to the code of conduct provided by us (and by the customer, if any), which ensures they follow provisions aimed at delivering services with integrity, commitment and professionalism. We ensure that all security personnel deployed on-site undergo training in compliance with the SGSO. For certain projects, we also provide induction safety training courses to all personnel involved in delivering our services before their deployment. For further details of the employees’ code of conduct and trainings, please refer to the paragraph headed “Quality assurance – Code of conduct for security personnel and trainings” above in this section.

To retain our existing employees, we offer an attractive remuneration package that comprises basic salaries, bonuses and other employee benefits, such as mandatory provident fund schemes and medical insurance. The remuneration package is reviewed annually to ensure competitiveness and alignment with market standards.

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, wages of all of our employees were no less than the applicable statutory minimum wage rate, as amended or supplemented from time to time. For the risk factor relating to the statutory minimum wage, please refer to the paragraph headed “Risk Factors – Risks relating to our industry – With the implementation of the Minimum Wage Ordinance, we may fail to retain labour in a cost-effective way or transfer the rising labour costs to our clients, which may adversely affect our profitability” in this document.

During the Track Record Period, our direct labour costs were approximately HK\$78.6 million, HK\$108.1 million and HK\$21.6 million, respectively, representing approximately 77.0%, 77.5% and 90.5% of our total costs of services, respectively.

Our Group has also established and implemented policies to enhance labour practices and employee engagement. These include the human resources and payroll policy, which details the policies and procedures adopted by the Group regarding issues affecting employees during their employment. This policy ensures that human resources and payroll procedures for all employees are standardised and compliant.

The human resources and payroll policy formalises key procedures governing employment interactions, including but not limited to recruitment and employment, employment contracts and orientation, annual appraisals, promotions or salary increments, and termination or resignation. By formalising these processes, the Group aims to safeguard employees’ rights and retain talent across its subsidiaries.

Licences and qualifications of employees

We, in connection with our security services and in addition to our corporate licences, are required to ensure that our employees obtain the following licences and qualifications or are trained in the performance of their duties.

Pursuant to the SGSO, security personnel involved in the provision of security services are required to hold a valid Security Personnel Permit. The Security Personnel Permit is valid for a

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period of up to five years or such shorter period as the Commissioner of Police may specify. As at Latest Practicable Date, 426 of our employees had obtained and validly held the Security Personnel Permits, of which: 397 employees were allowed to perform Category A Security Work and Category B Security Work, and 34 employees were allowed to perform Category D Security Work.

We record details of the licences and permits held by our employees in a computer database and regularly monitor the status of their validity. Additionally, we conduct regular checks on the licences and permits of the personnel deployed by our subcontractors to ensure compliance with all applicable legal and regulatory requirements.

Labour dispute

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, our Group had not encountered or experienced any material labour disputes with any of our employees or trade unions that would have materially affected our business operations or financial performance.

OUR CONSULTANCY TEAM

We have built a team of experienced consultants comprising high-ranking Government and public officials as follows:

- The Hon IP Kwok-him, *GBM, GBS, JP*, Hong Kong delegate to the National People’s Congress of the PRC; unofficial member of the Executive Council of Hong Kong; member of the Legislative Council of Hong Kong; chairman of the Panel on Security of the Legislative Council of Hong Kong
- Mr. Sin Yat-kin *GBS, CSDSM, JP*, former commissioner of Correctional Services Department of the Hong Kong Government
- Mr. Andy Chan Chor-kam, *SBS, FSDSM*, former Director of Fire Services of the Hong Kong Government

They provide valuable advisory support to our Group across areas such as security operations, security management, fire safety, electronic systems, and other technical or operational matters relevant to our business. These consultants are typically engaged to provide general advice and support on an ongoing basis according to our business needs, with their advice extending to particular projects from time to time where required. They are engaged under consultancy arrangements and remunerated principally through fixed consultancy fees.

Our consultants contribute meaningfully to our Group’s operational excellence by sharing industry knowledge and practical experience accumulated over many years, advising on security management and operational matters, providing technical input on relevant systems or safety-related issues, and supporting our management team in assessing the operational requirements of certain projects. Our Directors believe that this collaborative relationship with our consultants has enhanced our Group’s technical capabilities, service quality and market reputation.

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OCCUPATIONAL HEALTH AND SAFETY

Pursuant to the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong), employers are required, as far as reasonably practicable, to ensure the safety and health at work of all their employees. We minimise workplace accidents and injuries through the implementation of safety measures and policies, and we require all of our employees to strictly adhere to these measures and policies. We believe that maintaining high standards in workplace health and safety is critical to maximising our operational efficiency, which, in turn, helps us compete effectively. Since 2024, we have been accredited with the ISO 45001:2018 occupational health and safety management system standard for the provision of security services in Hong Kong at designated sites.

We have implemented various policies and measures to ensure workplace safety and efficiency, which include, among others:

- policies regulating the code of conduct of our employees to maintain professionalism and discipline;
- regular occupational health and safety reminders to keep our employees aware of workplace safety practices;
- health and safety policy, which includes briefing on strict compliance with the Occupational Safety and Health Ordinance; preventative measures to be taken by security service personnel to minimise dangerous situation; and training on hazards and dangerous chemicals;
- on-site chain of command chart, placed at the locations where our employees are dispatched, to facilitate effective communication in the event of emergencies or other incidents;
- trainings and guidelines for security service personnel deployed on-site; and
- an emergency manual and procedures, which provide detailed handling instructions for emergency situations, including bomb explosions, flooding, unidentified gas leakage, black rainstorm or typhoon signal no. 8 or above, theft or pickpocketing, arson and fire or smoke found.

During the Track Record Period and up to the Latest Practicable Date, our Directors confirm that there was no material breach of work safety rules by our employees, no significant incidents or accidents in relation to our employees’ safety, and no non-compliance with the applicable laws and regulations relevant to work safety and health issues.

Procedure for recording and handling employee injuries or accidents at work

Due to the nature of our business, we may be subject to claims from employees for work-related injuries. To address this, we maintain a set of procedures to record and handle employees injuries or accidents at work, as well as their work-related personal injury claims. In

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such cases, we report the employee injuries or accidents to our insurance company, which is responsible for handling the claims.

During the Track Record Period, our Directors confirm that all employees’ compensation and/or personal injury claims against our Group had been fully covered by our insurance, and none of our employees were involved in any fatal or material work injuries or accidents that had a material adverse impact on our business operations. For further details on our insurance policies, please refer to the paragraph headed “Insurance” below in this section. For information on our ongoing and potential employees’ compensation and/or personal injury claims, please refer to the paragraph headed “Occupational health and safety – Litigation, claims and legal compliance” below in this section.

Litigation, claims and legal compliance

As confirmed by our Directors, we had not been involved in any incidents which, in the opinion of our Directors, constituted either a material impact non-compliance or systemic non-compliance, and we had complied with all applicable Hong Kong laws and regulations for our business activities and operations in all material respects during the Track Record Period and up to the Latest Practicable Date.

Due to the nature of our industry, we may be subject to employees’ compensation and personal injury claims. During the Track Record Period and up to the Latest Practicable Date, there were seven litigation claims against our Group as defendant made by our employees involving employees’ compensation claims and personal injury cases. Four of these cases had been either settled or discontinued, while the remaining three were still pending as at the Latest Practicable Date and were being handled by the solicitors appointed by the insurer under our relevant insurance policies.

Our Directors confirm that, to the best of their knowledge after making all reasonable enquiries, and save for the legal proceedings set out above, as at the Latest Practicable Date: (i) no member of our Group was engaged in any litigation, arbitration, or claim of material importance; and (ii) there was no litigation, arbitration, or claim pending or threatened by third parties against any member of our Group that would have a material adverse effect on our Group’s results of operations or financial condition.

INSURANCE

We purchase and maintain various insurance policies to mitigate risks associated with our business operations and our employees. The insurance policies we typically maintain include: (i) public liability insurance; (ii) employees’ compensation insurance; and (iii) group medical insurance.

Public liability insurance policy

The policy covers our liability to pay compensation for loss or damage to property occurring within specified locations in Hong Kong as a result of an accident or prescribed

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incident. We have taken out two public liability insurance policies to cover our business operations, with renewed policies under substantially the same terms not treated as additional policies.

When applying for a Security Company Licence for Type I security work, the Security Authority also considers whether the applicant is adequately insured for the scope of its business. The minimum required coverage is HK\$10 million per incident for public liability. In compliance with this requirement, we have secured two public liability insurance policies with a limit of HK\$10 million and HK\$20 million per claim, respectively, and both with an unlimited number of claims during the policy period, covering our security services provided anywhere within Hong Kong.

Employees’ compensation insurance

The employees’ compensation insurance policy we maintain complies with the requirements of the Employees’ Compensation Ordinance. The policy covers our liability to make payments in respect of bodily injury or death of any of our employees arising out of an accident in the course of their employment.

Group medical insurance policy

We maintain group medical insurance policies for all our full-time employees. These policies provide comprehensive health coverage, including specialist consultations and other medical services, ensuring the well-being and healthcare needs of our employees are adequately addressed.

During the Track Record Period, our total insurance expenses amounted to approximately HK\$0.2 million, HK\$1.1 million and HK\$0.3 million, respectively.

Our Directors consider our insurance coverage to be customary and consistent with businesses of our size and type, and adequate for our business operations. Our Directors believe that we have sufficient insurance coverage to address public liability risks that may arise from our provision of security services.

PERSONAL DATA AND PRIVACY PROTECTION

In the course of our business operations, we collect, process and store personal data from various stakeholders, including our employees, customers, suppliers and business partners. The types of personal data we collect include, but are not limited to: (i) employees’ data, namely personal identification details, employment records, educational qualifications, validity of their Security Personnel Permits and health or medical records where applicable; and (ii) visitors’ data, namely names, contact details, identification documents (e.g. ID card/passport numbers) and records of entry and exit for security purposes. This data is obtained to facilitate our business operations such as recruitment and operational management.

We are committed to safeguarding the personal data we collect and ensuring its confidentiality. To achieve this, we have implemented data protection policies and measures in line with applicable laws and best practices. These policies govern the collection, use, storage,

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sharing and disposal of personal data, ensuring it is handled lawfully. During the Track Record Period and up to the Latest Practicable Date, all data (including personal data and operational data) of the Group has been stored in locked fireproof cabinets at its offices in Hong Kong and on a NAS server provided by an IT support company engaged by Arrano Group (the “**IT Support Company**”). In relation to the data retention period, accounting and financial records, tax records and employee records will be stored for at least seven (7) years while personal data of unsuccessful job applicants will be stored for not more than ninety (90) days.

We have implemented strict data protection policies and measures to ensure strict compliance with applicable laws, regulations and best practices. Such internal measures primarily include (i) technical measures, (ii) organisational measures and (iii) physical measures. For technical measures, we ensure all data is encrypted and that access to the data is role-based. Multi-factor authentication is used for administration department’s access or remote access. All data is backed up to a cloud system provided by the IT Support Company and the systems provided by the IT Support Company will be regularly updated. For organisational measures, mandatory data protection training is provided for all staff annually. We conduct access reviews quarterly and remove any employee’s access to our data systems immediately upon his/her role change or termination. Where there is any detection of data breach, we will respond immediately by containing it and notifying the breach to the relevant authorities if required. For physical measures, we ensure all physical records of the data are securely stored inside the locked fireproof cabinets and access to such records are restricted to authorised personnels only.

During the Track Record Period and up to the Latest Practicable Date, our Directors confirm that we have not experienced any incidents of material data leakage and have not been found in non-compliance with any applicable laws and regulations relevant to personal data and privacy protection issues.

INFORMATION TECHNOLOGY AND INTELLECTUAL PROPERTY

We have developed our Electronic Security Services Solutions segment, increasing our competitiveness and enhancing service quality and customer satisfaction. During the Track Record Period, we provided technologies such as an electronic guard tour system (i.e. a system that electronically records the patrolling duties performed by guards), a radio communication system and an electronic site access control system for the Three-runway System Project Site. We have also designed and installed CCTV systems under the CCTV Contract and established Arrano Huilun with Guangzhou Huilun in 2026 to research, develop and commercialise robotic and automation solutions. These implementations demonstrate our ability to integrate advanced security technologies into our service, addressing operational needs while delivering efficient solutions.

As at the Latest Practicable Date, we had a registered trademark at the Intellectual Property Department Hong Kong and a registered domain name with the Hong Kong Internet Registration Corporation Limited, which we consider are material to our business. For further details on our material intellectual property rights, please refer to the paragraph headed “Statutory and General Information – B. Further information about the business of our Group – 2. Intellectual property rights” in this document.

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During the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, after making all reasonable enquiries, we had not infringed or had not been alleged to infringe any intellectual property rights owned by third parties and we had not been subject to any material intellectual property claims against us or involved in any material intellectual property dispute.

ENVIRONMENTAL PROTECTION

Due to the nature of our business, our Group’s operational activities do not significantly generate industrial pollutants, and we did not incur material costs for compliance with environmental protection rules and regulations during the Track Record Period. Our Directors expect that such costs will not be significant in the future.

However, we recognise the importance of environmental protection and strive to meet community expectations for a healthy living and working environment. We have implemented various environmental protection measures, including encouraging the use of recycled paper and providing separate recycling bins for different types of waste; reducing energy consumption and purchasing energy-efficient appliances; and arranging training courses to enhance employee awareness of environmental conservation.

We also prioritise employee well-being by establishing a safe and healthy working environment through: occupational safety and health management practices; prohibiting dangerous activities; complying with applicable labour laws and regulations; and promoting an equal and fair working environment.

Since 2024, we have been accredited with the ISO 14001:2015 Environmental Management System Standard and the ISO 45001:2018 Occupational Health and Safety Management System Standard for the provision of security services in Hong Kong.

As at the Latest Practicable Date, we had not recorded any material non-compliance with applicable environmental protection laws and regulations.

ESG policy and governance

We recognise the importance of environmental, social, and governance (“ESG”) considerations to our Group’s sustainable development. To this end, our Board has adopted a comprehensive ESG policy in compliance with the GEM Listing Rules, which outlines our corporate social responsibility objectives and provides guidance on environmental protection, employee well-being and corporate social responsibility practices.

To ensure the effectiveness of this policy, our Board takes primary responsibility for overseeing and managing ESG-related matters. Key responsibilities include: (i) overseeing environmental, social and climate-related issues; (ii) evaluating, prioritising and managing material ESG and climate-related matters; (iii) designating a Director to monitor ESG and climate-related matters and ensure implementation of the ESG policy; and (iv) reviewing the Group’s ESG performance and coordinating departmental efforts to meet ESG objectives.

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Our Board closely monitors the latest regulatory requirements for ESG disclosures, including the ESG Reporting Guide issued by the Stock Exchange. Annually, the Board reviews and discusses the content and quality of the ESG report to ensure accurate and compliant disclosure.

Strategies and measures for ESG management

To evaluate and manage material ESG-related issues and ensure compliance with the Stock Exchange’s ESG requirements, we have implemented the following measures: (i) regular management discussions to identify and address material ESG areas; (ii) ensuring compliance with the recommendations and requirements under the GEM Listing Rules; (iii) engaging stakeholders through various communication channels; and (iv) conducting materiality assessments on ESG and climate-related issues, with input from third-party consultant.

During the Track Record Period, our materiality assessment identified social and climate-related issues relevant to our business, while no material environmental issues were identified. These social and climate-related matters present risks and opportunities for our Group, and we remain committed to monitoring and improving our performance in these areas.

Material issues	Potential risks, opportunities and impacts
Employees health and safety	<p>Workplace accidents or injuries may harm employees and lead to legal liabilities, increased insurance costs, and reputational damage.</p> <p>Implementing safety measures can enhance employee satisfaction, reduce staff absence, lower turnover and create a safer working environment.</p> <p>Compliance with occupational health and safety regulations improves operational reliability and reputation.</p>
Labour practices and equal opportunity	<p>Non-compliance with labour laws or discriminatory practices can lead to legal penalties and reputational harm.</p> <p>Promoting fair labour practices and diversity improves employee satisfaction and enhances our Group’s image.</p> <p>Compliance ensures a positive working environment and strengthens internal trust and external reputation.</p>
Customers’ privacy and data security	<p>Data breaches, unauthorised access or misuse of sensitive client information can lead to legal penalties, reputational damage, loss of client trust.</p> <p>Strengthening data protection systems improves trust and provides a competitive advantage in privacy-conscious markets.</p>

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Material issues

Potential risks, opportunities and impacts

Compliance with data privacy regulations ensures long-term customer loyalty and mitigates risks of financial losses or legal actions.

Climate change and energy use

Rising energy costs and non-compliance with environmental regulations may impact profitability and reputation.

Adopting energy-efficient technologies reduces costs, lowers the carbon footprint and positions our Group as environmentally responsible.

Operational cost savings and enhanced reputation attract environmentally conscious clients.

We intend to continue the adoption of the abovementioned practices upon [REDACTED] to comply with the requirements on ESG under the GEM Listing Rules. Our Board has the collective and overall responsibility for establishing, adopting, and reviewing the ESG vision, policy, and target of our Group. Our Board may assess or engage independent third parties to evaluate the ESG risks and review our existing, target, and internal controls. Necessary improvements will then be implemented to mitigate the risks.

To combat climate change and manage carbon emissions, we have implemented corresponding work arrangements and measures in response to severe weather conditions, such as typhoons and rainstorms. These include issuing timely safety warnings to notify employees and personnel working outdoors about relevant special work arrangements to ensure their safety. We also keep track of climate-related issues and actively assesses and monitors climate-related risks to optimise our management practices on an ongoing basis.

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Our Group has incorporated quantitative information to reflect our management of risks related to pollutants, greenhouse gas (“GHG”) emissions, and resources consumption. GHG emissions comprise scope 1 direct GHG emissions, the direct emissions from the fuel combustion in company-owned vehicles and the combustion of towngas and liquefied petroleum gas (“LPG”); and scope 2 energy indirect GHG emissions, the emissions resulting from the use of purchased electricity. The details of GHG emissions and resources consumption during the Track Record Period are as follows:

	Unit	FY2024	FY2025	3M2025	3M2026
GHG Emissions					
Scope 1 – Direct GHG emissions	tCO ₂ e	43.15	2,465.40	287.27	662.82
Scope 2 – Energy indirect GHG emissions	tCO ₂ e	6.72	26.14	2.98	2.82
Total GHG emissions (Scope 1+2)	tCO ₂ e	49.87	2,491.54	290.25	665.64
Total GHG emissions intensity (Scope 1+2)	kg CO ₂ e/ HK\$’000 Revenue	0.36	13.27	5.97	20.86
Resources Consumption					
Diesel consumption	kWh	38,253.39	8,423.45	8,423.45	–
Towngas consumption	kWh	542.22	3,992.07	1,086.05	1,136.86
LPG consumption	kWh	153,690.39	11,233,447.91	1,300,075.61	3,022,562.89
Purchased electricity	kWh	17,692.23	76,893.40	8,768.95	8,302.95
Total energy consumption	kWh	210,178.23	11,322,756.83	1,318,354.05	3,032,002.70
Total energy consumption intensity	kWh/HK\$’000 Revenue	1.52	60.32	27.10	95.00

The Group procured shuttle bus services from a supplier for the transport of security personnel to and from project sites. This activity generates indirect Scope 3 GHG emissions under Category 1: Purchased Goods and Services. The associated emissions for FY2024 and FY2025 are 0.07 and 0.08 tCO₂e respectively, while for 3M2025 and 3M2026 are 0.01 and 0.01 tCO₂e respectively.

Given that the majority of the Group’s leased properties commenced operations from the end of 2024, FY2025 represents the first full year of normalised energy consumption, and has accordingly been selected as the baseline year (total energy consumption intensity: 60.32 kWh/HK\$’000 Revenue; total GHG emissions (Scope 1 and 2) intensity: 13.27 kg CO₂e/HK\$’000 Revenue). The Group has set a target to reduce both its total energy consumption intensity and total GHG emissions intensity by 5% by the financial year ending 31 December 2030 against this baseline. When setting the targets, the Group has considered historical consumption and emissions levels during the Track Record Period, the performance of industry peers, and effectiveness of relevant reduction measures to ensure their achievability. These targets will be reviewed annually by the Board and senior management to ensure their continued relevance to our Group’s operations and strategic goals.

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To achieve these targets, the Group will promote energy-saving awareness for employees residing in or managing its residential properties, covering responsible use of LPG, Towngas and electricity. The Group will also conduct periodic reviews to identify and replace ageing or inefficient appliances on a timely basis. These measures are expected to be covered within the existing administrative budget without material financial impacts on the Group.

PROPERTIES

As at the Latest Practicable Date, we did not own any properties. We have leased one property for use as our headquarters and several residential flats as dormitories for our imported workers. Details of our major leases are as follows:

Address	Purpose	Area (m ²)	Lease Term	Monthly Rent (HK\$)	Landlord
Unit A, 27/F., Phase 2, Billion Plaza, 10 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong	Headquarters	323.1	1 December 2025 to 30 November 2026	40,000	Independent Third Party
Flat 13, 6/F, Block C, Siu Hei Court, No. 201 Wu Chui Road, Tuen Mun, New Territories, Hong Kong	Residential	33.7	28 November 2024 to 27 November 2026	10,300	Independent Third Party
Flat 7, 29/F, Block D, Siu Hei Court, No. 201 Wu Chui Road, Tuen Mun, New Territories, Hong Kong	Residential	38.6	18 November 2024 to 17 November 2026	11,000	Independent Third Party
Flat B, 23/F, Block 4, Melody Garden, No. 2 Wu Chui Road, Tuen Mun, New Territories, Hong Kong	Residential	80.0	22 November 2024 to 21 November 2026	21,000	Independent Third Party
Flat J, 1/F, Block 10, Yuet Wu Villa, No. 2 Wu Sau Street, Tuen Mun, New Territories, Hong Kong	Residential	45.0	18 November 2024 to 17 November 2026	11,000	Independent Third Party
Flat K, 1/F, Tower B, Clague Garden Estate, No. 26 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong	Residential	33.7	8 December 2024 to 7 December 2026	11,800	Independent Third Party
Unit C, 22/F, Tower T-6, Miami Beach Towers Phase II, No. 268 Wu Chui Road, Tuen Mun, New Territories, Hong Kong	Residential	44.1	18 November 2024 to 17 November 2026	12,800	Independent Third Party

As at the Latest Practicable Date, we did not have any single property with a carrying amount of 15% or more of our total assets. On this basis, we are not required to include a valuation report in this document under Rule 8.01A of the GEM Listing Rules. Pursuant to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report for all interests in land or buildings.

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MARKET COMPETITION

According to the Frost & Sullivan Report, the security services market in Hong Kong is fragmented and competitive. In 2025, there were over 1,450 industry participants in the security services industry in Hong Kong. The market is relatively fragmented, with the top five players contributing approximately 9.3% of the entire market in terms of revenue.

Our Group entered the security services market in Hong Kong as a new provider in 2021, and we accounted for approximately 0.5% of the total market revenue in 2025. Our Directors believe that our track record of delivering a spectrum of quality security services, combined with our experience in public and large-scale projects serving reputable clients, enables us to differentiate ourselves in the industry and capture market opportunities.

For details about the security service markets in Hong Kong, please refer to the section headed “Industry Overview” in this document.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

It is the responsibility of our Board to oversee and ensure that we maintain sound and effective internal control and risk management systems to safeguard our Shareholders’ investment and our assets at all times.

During our operations, we are exposed to various risks, details of which have been set out in the section headed “Risk Factors” in this document. We have formulated and adopted a risk management system which classifies our risks into (i) business risks; (ii) financial risks; (iii) compliance risks; and (iv) operational and other risks. With reference to each category of risk, we would conduct a risk identification and analysis exercise which involves assessment of the consequence and likelihood of risks, and the development of risk management strategy to control and mitigate such risks. Our management also regularly monitors the implementation of those policies, measures and procedures from time to time to ensure the soundness and effectiveness of our risk control system.

Internal Control

In preparation for the [REDACTED], we have engaged an external internal control consultant to conduct an evaluation of our internal control system from 1 January 2024 to 31 March 2026, to review our management of business operations, including our financial reporting, human resources and IT general control and review and follow up on the effectiveness of our enhanced internal control measures.

We have written policies and procedures that cover, among others, financial management, sales and procurement, project management and costing, safety and compliance, human resources and risk management.

To mitigate risks of fraud, bribery, and corruption, our Group has implemented policies in relation to anti-fraud and anti-bribery, code of conduct, code of ethics, and whistleblowing. These policies specify prohibited behaviours and defined roles and controls, and strictly prohibit

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all directors, officers, and employees from engaging in, soliciting, or accepting improper payments, kickbacks, or any form of corrupt practices.

Our Group ensures all employees are fully informed of these policies, including relevant local legal requirements. New hires will receive briefings on our Group’s anti-fraud and anti-bribery measures, while key personnel will undergo regular training on fraud risks, bribery prevention, and compliance with applicable laws, regulations, and ethical standards pertinent to their roles.

Employees are required to report any actual or suspected violations through our Group’s established whistleblowing mechanisms. The reporter making genuine and appropriate reports under established mechanisms is assured of protection against unfair dismissal, victimisation or unwarranted disciplinary action. All reported incidents are promptly handled and investigated, if necessary. If misconduct is confirmed, our Group will take disciplinary action and report to relevant regulatory authorities as appropriate.

Our Group remains committed to upholding the highest standards of integrity and accountability across all operations.

Based on the above, our Directors are of the view that we have taken reasonable steps to establish an internal control system and procedures to enhance our control on both working and management levels.

We will continue to strengthen our internal control and ensure future compliance with the applicable laws and regulations (including the GEM Listing Rules) upon [REDACTED] by adopting the following internal control measures:

- each of our Directors has attended a training session in March or April 2025 conducted by our legal advisers as to Hong Kong law on the ongoing obligations and duties of a director of a company whose shares are [REDACTED] on the Stock Exchange.
- we have appointed Innovax Capital Limited as our compliance adviser upon [REDACTED] to advise and assist our Board on compliance matters in relation to the GEM Listing Rules and/or other relevant laws and regulations applicable to our Company.
- we [have] established the Audit Committee which comprises all independent non-executive Directors, namely Ms. Leung Yuen Shan Maisy, Mr. Yau How Boa and Mr. Au Ka Wang. The Audit Committee is responsible for, among other things, reviewing and supervising the financial reporting process, overseeing internal control procedures and corporate governance and supervising the internal control systems of our Group.
- when considered necessary and appropriate, we will seek professional advice and assistance from independent internal control consultants, external legal advisers and/or other appropriate independent professional advisers with respect to matters related to our internal controls and legal compliance.

Our Directors confirm that the internal control measures implemented by our Group are sufficient and could effectively ensure a proper internal control system for our Group.