BUSINESS OBJECTIVES AND STRATEGIES

The principal business objectives of our Group are to further strengthen our market position, increase our market share and capitalise on the growth opportunities in the security services and integrated security service solution industries in Hong Kong. Please refer to the paragraph headed "Business – Business strategies and future plans" in this document for a detailed description of our business strategies.

REASONS FOR THE [REDACTED]

To achieve our business objectives, we intend to expand the scale of our operations by actively pursuing additional and/or sizeable security projects from both existing and potential new customers, in addition to maintaining our current scale of operations and the projects we currently have on hand. Our Directors believe that the **[REDACTED]** will be beneficial to our Group and our Shareholders as a whole for the following reasons:

Growing demand for security services in the market

According to the Frost & Sullivan Report, the security services market in Hong Kong remains heavily dominated by Type I licence work, which accounted for approximately 81.9% of the total market size in 2025. From 2021 to 2025, the market size for Type I services increased from HK$24.6 billion to HK$28.5 billion, registering a steady CAGR of 3.7%. The growth reflects the market's successful transition from pandemic-era disruptions into a phase of economic normalization, which stabilized and renewed the demand for manned guarding services across the retail, hospitality, and commercial sectors. In comparison, Type III license services experienced even stronger growth during the same historical period, recording a CAGR of 5.6%. This outperformance was primarily driven by the increasing adoption of advanced security technologies, such as CCTV, access control systems, and integrated security solutions, as businesses continuously sought more efficient and scalable technological enhancements. Importantly, the accelerated adoption of Type III technologies does not cannibalize or replace the demand for Type I manned guarding, with Type I expected to grow at a steady CAGR of 5.5% during the forecast period. Rather than acting as a substitute, electronic solutions are increasingly integrated with physical personnel to create comprehensive, dual-layered security ecosystems. While Type III systems provide advanced monitoring and early threat detection, the indispensable need for on-site human judgment, immediate physical intervention, and customer-facing interactions ensures that Type I services remain a fundamental and irreplaceable baseline requirement. Further, the Frost & Sullivan Report highlights several major infrastructure projects, including the Northern Metropolis, the San Tin Technopole, and the Hung Shui Kiu/Ha Tsuen New Development Area, which are expected to create additional business opportunities for our Group.

With our reputation and track record in both Type I and Type III services, our Directors believe we are well-positioned to capitalise on new opportunities driven by the Hong Kong Government's planned public investments and the growing demand for security services in Hong Kong.

Funding needs for implementing our business strategies

Our Directors believe that relying solely on working capital recycling is insufficient to support our business plans, and therefore, additional external funding is necessary for the following reasons:

(a) The substantial time gap between project commencement and the receipt of customer payments requires us to allocate significant upfront capital to sustain operations and manage cash flow effectively.

(b) It is financially prudent to reserve our existing working capital for current operations, but additional funding through the **[REDACTED]** is necessary to support future business expansion.

(c) During the Track Record Period, we experienced growth in securing new projects, as evidenced by the increase in the number of our backlog project from 11 as at 31 December 2024 to 21 as at 31 December 2025 and further to 27 as at 31 March 2026. As at Latest Practicable Date, our Group had 28 projects in our backlog with revenue of approximately HK$220 million expected to be recognised after the Latest Practicable Date. Our largest project, the Three-runway Contract, had an original contract sum of approximately HK$295.5 million. For details of our projects, please refer to the paragraph headed "Business – Our projects" in this document. Despite our proven ability to capitalise on business opportunities and secure sizeable projects, our Directors believe that our lack of sufficient capital has compelled us to adopt a more conservative approach to tendering for new projects. This conservative stance limits our ability to take on additional or larger-scale projects, thereby constraining our growth potential. Therefore, external funding is essential to provide the financial buffer needed to support our continued growth and seize market opportunities.

(d) Our future growth would be constrained if we solely rely on working capital recycling without access to additional capital. We believe that the resources available to us at the relevant time may affect the competitiveness of our tender proposals. We recorded a tender success rate of approximately 12.5%, 55.6% and 60.0%, respectively, during the Track Record Period. By solely relying on working capital recycling, our Group is limiting its ability to grow, despite our demonstrated capacity to seize business opportunities in the market.

(e) Although we have considered our Group's general level of funds, estimated the amount of financing required for projects before tendering and, where necessary, made other necessary arrangements to ensure adequate funding, our estimations on the required financing remain subject to uncertainty and may still be insufficient in certain circumstances, such as the provision of performance bonds. Some customers may require us to provide performance bonds as a security measure to guarantee our due performance under the relevant contracts. These performance bonds typically do not exceed 5% of the contract sum, and according to the Frost & Sullivan Report, is consistent with industry practices.

Other benefits of the [REDACTED]

Other than the net **[REDACTED]** from the **[REDACTED]**, which will strengthen our capital base and provide funding to achieve our business growth and future plans, our Directors also believe that the **[REDACTED]** will allow us to:

(a) enlarge and diversify the Group's shareholder base – our Directors believe that the **[REDACTED]** will allow the public and our Shareholders to better assess the value of our Company, which in turn is expected to enhance the liquidity of our Shares after they become freely tradeable on the Stock Exchange, compared to the limited liquidity of the shares privately held before the **[REDACTED]**. The real value of our Group could also be better reflected through a market-driven mechanism after the **[REDACTED]**. Moreover, our Directors believe that the **[REDACTED]** represents a natural evolution of our business structure, facilitating our Group's transition from self-owned to more widely-held company, while attracting more talents to join as management team. Accordingly, our Directors consider that the **[REDACTED]** will enlarge and diversify our Shareholder's base and potentially lead to a more liquid market for the trading of our Shares. The **[REDACTED]** platform on the Stock Exchange would enhance transparency in our internal control, financial disclosure, corporate governance practices and regulatory oversight. This will enable us to pursue more focused development, sustainable growth and strategic planning reducing over-reliance on our Controlling Shareholders. As such, our Directors believe that the **[REDACTED]** could enhance our long-term continuity;

(b) generate employee incentive and commitment – employing, motivating and retaining qualified personnel has always been critical to our success as a security services provider, as we operate in a labour-intensive industry that requires experienced and qualified personnel to deliver quality services. The **[REDACTED]** is considered to be one of the channels through which our Group will find it easier to retain talent and to incentivise our employees. Through the **[REDACTED]**, our employees will be able to share in our success and achievements, fostering greater commitment to the performance and ongoing success of our Group. We [have also conditionally adopted] the Share Option Scheme for our employees, which is designed to attract and retain talents. This Share Option Scheme allows employees to be rewarded in accordance with the performance of our Group, as the Shares will be publicly traded, with their prices driven by market performance and directly influenced by the success of our Group. For further details of the Share Option Scheme, please refer to the paragraph headed "Statutory and General Information – D. Share Option Scheme" in Appendix IV to this document for a summary of principal terms of the scheme; and

(c) gain higher profile and visibility and strengthen our competitiveness – the **[REDACTED]** status is expected to enhance our competitiveness among our peers, which may in turn lead to the establishment and strengthening of our business relationships with new and existing customers, as well as the expansion of our market share. Our Directors believe that the **[REDACTED]** will elevate our corporate image, enabling us to capture new business opportunities from other industry players with fewer obstacles.

Therefore, our Directors consider that raising additional funding through the **[REDACTED]** is essential to implementing our future plans.

USE OF [REDACTED]

Assuming the **[REDACTED]** is not exercised and an **[REDACTED]** of HK$**[REDACTED]** (being the mid-point of the indicative range of the **[REDACTED]** from HK$**[REDACTED]** to HK$**[REDACTED]** per **[REDACTED]**), the total net **[REDACTED]** from the **[REDACTED]** (after deducting **[REDACTED]** fees and related expenses in connection with the **[REDACTED]**) are estimated to be approximately HK$**[REDACTED]**. Our Directors presently intend that the net **[REDACTED]** from the **[REDACTED]** will be applied as follows:

(a) approximately HK$**[REDACTED]**, representing approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, will be used for expanding our security services delivery capacity by:

(i) recruiting security service personnel with approximately HK$**[REDACTED]**, or **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, to increase our manpower to fulfill newly awarded contracts, ongoing tender submissions and/or anticipated contracts. According to the Frost & Sullivan Report, the average monthly salary of a security guard in the security service industry in Hong Kong is expected to attain HK$18,959.1 in 2030, representing a CAGR of approximately 2.9%. The growth is mainly attributed to the rising demand for professional security services and the increase in the cost of living, which has prompted companies to raise salaries to attract and retain talents. The following table sets out the number, qualification and years of experience required for the positions we intend to recruit with respect to security personnels for new projects:

Position	Number of position	Major qualification or other requirements	Approximate years of experience
Security guard	75	Security Personnel Permit holder, basic Putonghua, English and Cantonese communication skills and basic computer skills	One
Security supervisor	9	Security Personnel Permit holder disciplined, preferably be holders of driving licence (classification codes 1 and 2) & first aid certificates	Three

(ii) recruiting technical personnel for our Electronic Security Solutions Services business with approximately HK$**[REDACTED]**, or **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, to strengthen our manpower for the CCTV Contract and other existing and potential electronic security projects. According to the Frost & Sullivan Report, the average monthly salary of an electronic security technician in Hong Kong is expected to increase to HK$24,434.1 in 2030, representing a CAGR of approximately 3.2%. We intend to recruit up to 11 additional technical personnel. The following table sets out the relevant positions, qualifications and experience requirements:

Position	Number of position	Major qualification or other requirements	Approximate years of experience
Installation engineer	1	Higher diploma in electrical engineering	Five
Electrician	8	Registered electrical worker (Grade A), Experience in handling extra-low voltage system (ELV)	Four
Safety officer	1	Attended OSHC courses, registration in the Labour Department for carrying out safety work	Two
Foreman	1	Experience in ELV system handling	Three

(iii) acquiring vans, trucks, shuttle buses and passenger vehicles with approximately HK$**[REDACTED]**, or **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, to enhance our ability to mobilise manpower and equipment, and support our Group in undertaking more projects;

(b) enhancing sales and marketing capabilities for business development with approximately HK$**[REDACTED]**, or **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, to participate in exhibitions in Hong Kong, Mainland China and overseas to promote our security robot solutions; and

(c) approximately HK$**[REDACTED]**, representing approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, will be used for the enhancement of our security services infrastructure, by establishing a centralised intelligent security monitoring platform and control room in Hong Kong and recruiting additional staff, and improving our operational efficiency by establishing reception, transmission and communication of signals to and from the sites we manage; and

Position	Number of position	Major qualification or other requirement	Approximate years of experience
Controller	9	Security Personnel Permit holder with basic Putonghua, English and Cantonese communication skills	Three

(d) approximately HK$**[REDACTED]**, or **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, will be used for optimising and advancing core technology and establishment of demonstration and support centre for security robot. For a detailed description of the security robots, please refer to the paragraph headed "Business – Business strategies and future plans – Develop advanced information technologies and robots to optimise our business model" in this document.

The following table sets out the number, qualification and years of experience required for the positions we intend to recruit:

Position	**Number of position**	**Major qualification or other requirements**	**Approximate years of experience**
Electronics Engineer	2	Degree in Electronic Engineering or Electrical Engineering	Three
AI Application Engineer	1	Degree in Artificial Intelligence or Computer Science	Four
Mechanical Engineer	1	Degree in Mechanical Engineering	Three
Motor Control Engineer	2	Degree in Control Engineering or Automation	Five

- approximately HK$**[REDACTED]**, representing **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, will be used as our general working capital and general corporate purposes.

In summary, the implementation of our business strategies from the **[REDACTED]** up to the six months ending 31 December 2028 will be funded by the net **[REDACTED]** of the **[REDACTED]** as follows:

	From the [REDACTED] to 31 December 2026	For the six months ending 30 June 2027	For the six months ending 31 December 2027	For the six months ending 30 June 2028	For the six months ending 31 December 2028	Total	Approximate percentage of net [REDACTED]
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*%*
(a) Expansion of our security services delivery capacity							
(i) Recruitment for security personnels for new projects	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(ii) Recruitment for electronic security technicians for CCTV Projects	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(iii) Acquiring vans, trucks, shuttle bus and passenger vehicles	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(b) Enhancing sales and marketing capabilities for business development of our own-branded security robot solutions	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(c) Enhancement of our security services infrastructure – establishment of a centralised intelligent security monitoring platform and control room	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(d) Optimising and advancing core technology and establishment of a demonstration and support centre for security robot	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(e) **General working capital**	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

To the extent that the net **[REDACTED]** from the **[REDACTED]** are not immediately required for the purposes outlined above, and to the extent permitted by applicable laws and regulations, if we are unable to implement any part of our future plans as intended, it is the present intention of our Directors that such net **[REDACTED]** will be placed in short-term interest bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). In the event that additional financing is required beyond the net **[REDACTED]** from the **[REDACTED]** to execute our future plans, any shortfall will be financed through our internal resources and, where appropriate, bank financing.

In the event that the **[REDACTED]** is fixed at HK$**[REDACTED]** or HK$**[REDACTED]** (being the respective low end and high end of the indicative range of the **[REDACTED]**), the net **[REDACTED]** of the **[REDACTED]** to be received by our Company are estimated to be approximately HK$**[REDACTED]** and HK$**[REDACTED]**, respectively, after deducting all **[REDACTED]** fees and expenses paid and payable by us. We currently intend to apply the aforesaid net **[REDACTED]** in the same manner and in the same proportion as described above.

If the **[REDACTED]** is exercised in full, the net **[REDACTED]** from the **[REDACTED]** will increase to approximately HK$**[REDACTED]**, assuming the **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the indicative **[REDACTED]** range). In such case, we intend to adjust the allocation of the net **[REDACTED]** to the aforementioned uses on a pro rata basis.

IMPLEMENTATION PLANS

In pursuance of the business objective and strategies set out above, our implementation plans are set out below from the **[REDACTED]** to 31 December 2026 and then for each of the six-month periods until 31 December 2028. Investors should note that the following implementation plans are formulated on the bases and assumptions referred to in the paragraph headed "Bases and key assumptions" below in this section. These bases and assumptions are inherently subject to many uncertainties and unpredictable factors, in particular the risk factors set out in the section headed "Risk Factors" in this document. There is no assurance that our business objectives will be achieved or our business plans will be implemented according to the estimated timeframe or at all.

For the period from the [REDACTED] to 31 December 2026

	Business Strategies	Implementation plans	Use of [REDACTED] *HK'000*
(a)	Expansion of our security services delivery capacity		
	(i) Recruitment of security personnel for new projects	– 50 security guards – 7 security supervisors	**[REDACTED]**
	(ii) Recruitment of electronic security technicians for CCTV Projects	– 1 installation engineer – 8 electrician – 1 safety officer – 1 foreman	**[REDACTED]**
	(iii) Acquiring vans, trucks, shuttle bus and passenger vehicles	– 2 vans, 3 trucks, 1 shuttle bus and 3 passenger vehicles	**[REDACTED]**
(b)	Enhancing sales and marketing capabilities for business development of our own-branded security robot solutions	– Participation in industry exhibitions and trade shows, organising and attending seminars and forums, as well as related promotional and marketing activities in Hong Kong	**[REDACTED]**
(c)	Enhancement of our security services infrastructure	– Establishment of centralised intelligent security monitoring platform and control room	**[REDACTED]**
(d)	Optimising and advancing core technology and establishment of a demonstration and support centre for security robot	– Establish 2 robotic maintenance shelters – Recruit 1 electronic engineer – Recruit 1 mechanical engineer – Rental of premises – Purchase of computer equipment and development cost for intelligence operations center (IOC) platform system	**[REDACTED]**
(e)	Working capital		**[REDACTED]**
	Total		**[REDACTED]**

For the period from 1 January 2027 to 30 June 2027

	Business Strategies	Implementation plans	Use of [REDACTED] *HK'000*
(a)	Expansion of our security services delivery capacity		
	(i) Recruitment of security personnel for new projects	– 75 security guards – 9 security supervisors	**[REDACTED]**
	(ii) Recruitment of electronic security technicians for CCTV Projects	– 1 installation engineer – 1 safety officer – 1 foreman – 8 electricians	**[REDACTED]**
(b)	Enhancing sales and marketing capabilities for business development of our own-branded security robot solutions	– Participation in industry exhibitions and trade shows, organising and attending seminars and forums, as well as related promotional and marketing activities in Hong Kong and Mainland China	**[REDACTED]**
(c)	Enhancement of our security services infrastructure – establishment of a centralised intelligent security monitoring platform and control room	– Rental of premises, renovation, furniture and equipment – Employment of 9 controllers	**[REDACTED]**
(d)	Optimising and advancing core technology and establishment of a demonstration and support centre for security robot	– Establish 2 robotic maintenance shelters – Recruit 1 electronics engineer – Recruit 1 mechanical engineer – Recruit 1 AI application engineer – Recruit 2 motor control engineers – Rental of premises – Purchase of computer equipment and development cost for IOC platform system	**[REDACTED]**
(e)	Working capital		**[REDACTED]**
	Total		**[REDACTED]**

For the period from 1 July 2027 to 31 December 2027

	Business Strategies	Implementation plans	Use of [REDACTED] *HK'000*
(a)	Enhancing sales and marketing capabilities for business development of our own-branded security robot solutions	– Participation in industry exhibitions and trade shows, organising and attending seminars and forums, as well as related promotional and marketing activities in Hong Kong and Mainland China	**[REDACTED]**
(b)	Enhancement of our security services infrastructure – establishment of a centralised intelligent security monitoring platform and control room	– Rental of premises and employment of 9 controllers	**[REDACTED]**
(c)	Optimising and advancing core technology and establishment of a demonstration and support centre for security robot	– Recruit 2 electronics engineers – Recruit 1 mechanical engineer – Recruit 1 AI application engineer – Recruit 2 motor control engineers – Rental of premises – Maintenance costs for IOC platform system	**[REDACTED]**
(d)	Working capital		**[REDACTED]**
	Total		**[REDACTED]**

For the period from 1 January 2028 to 30 June 2028

	Business Strategies	Implementation plans	Use of [REDACTED] *HK'000*
(a)	Enhancing sales and marketing capabilities for business development of our security robot solutions	– Participation in industry exhibitions and trade shows, organising and attending seminars and forums, as well as related promotional and marketing activities in Hong Kong, Mainland China and overseas	**[REDACTED]**
(b)	Enhancement of our security services infrastructure – establishment of a centralized monitoring and control room	– Rental of premises and employment of 9 controllers	**[REDACTED]**
(c)	Working capital		**[REDACTED]**
	Total		**[REDACTED]**

For the period from 1 July 2028 to 31 December 2028

	Business Strategies	Implementation plans	Use of [REDACTED] *HK'000 –*
(a)	Enhancing sales and marketing capabilities for business development of our own-branded security robot solutions	– Participation in industry exhibitions and trade shows, organising and attending seminars and forums, as well as related promotional and marketing activities in Hong Kong, Mainland China and overseas	**[REDACTED]**
(b)	Enhancement of our security services infrastructure – establishment of a centralised intelligent security monitoring platform and control room	– Rental of premises and employment of 9 controllers	**[REDACTED]**
(c)	Working capital		**[REDACTED]**
	Total		**[REDACTED]**

BASES AND KEY ASSUMPTIONS

Potential investors should note that the attainability of our business objective and strategies depend on a number of bases and assumptions, in particular:

(a) there will be no material change in the existing political, legal, fiscal or economic conditions in Hong Kong or in any other places in which any member of our Group carries on or will carry on business;

(b) there will be no outbreak of contagious diseases or occurrence of force majeure events or natural disasters in Hong Kong or any other places in which any member of our Group operates or will operate or is incorporated, which would materially disrupt our business operations or cause substantial loss, damage or destruction to our properties or facilities;

(c) there will be no material change in the existing laws, regulations, policies or industry standards in Hong Kong or any part of the world relating or applicable to us;

(d) there will be no material change in the bases or rates of taxation in Hong Kong or in any other places in which any member of our Group operates or will operate or is incorporated;

(e) the **[REDACTED]** will be completed in accordance with and as described in the section headed "Structure and Conditions of the **[REDACTED]**" in this document;

(f) our Group is able to retain our key management personnel, employees, customers and suppliers;

(g) our Group will not be materially affected by any risk factors set out in the section headed "Risk Factors" in this document;

(h) there will be no change in the effectiveness of any licences and permits obtained by us;

(i) we will have sufficient financial resources to meet the planned capital expenditure and business development requirements during the period to which the business objectives relate; and

(j) our Group will be able to continue its operations in substantially the same manner as our Group had been operating during the Track Record Period and our Group will be able to carry out the development plans without disruptions adversely affecting its operations or business objectives in any way.