
HISTORY, REORGANISATION AND CORPORATE STRUCTURE

HISTORY AND DEVELOPMENT

We are the leading company in the Macau IT solutions market. During our operating history, we have been dedicated to providing reliable end-to-end and high quality enterprise IT solutions covering professional IT services and managed services, to customers which include globally renowned enterprises or bodies in TMT, gaming and hospitality and public sectors in Macau.

Our Company was incorporated in the Cayman Islands under the Companies Act as an exempted company with limited liability on 18 February 2021. Pursuant to the Reorganisation as more particularly described in the paragraph headed “Reorganisation” in this section, our Company has become the holding company of our Group for the purpose of the [REDACTED].

Mr. Chao is the founder of our Group who is also our Controlling Shareholder, an executive Director, our chief executive officer and chairman of our Board. See “Directors and Senior Management — Directors” for further details on the background and experience of Mr. Chao. We first commenced our business in 2010 through BoardWare Macau which was established by Mr. Chao for the provision of enterprise IT solutions services in Macau. Over the years under the leadership of Mr. Chao, we have developed into the leading company in Macau for providing enterprise IT solutions and has expanded our operation from Macau to the PRC and Hong Kong. Throughout the years, we have established BoardWare ZH with the aim to develop an operating arm of our business in Hengqin, the PRC and have subsequently established a branch office of BoardWare ZH in Guangzhou, the PRC. We have also established BoardWare NS in 2021 to further explore business opportunities in the PRC. To expand our business presence and capture more business opportunities along the value chain of the IT solutions industry, Mr. Chao acquired 100% shares in Synergy CCL in 2017, which is a well-established distributor of mobility and security related hardware and the associated system in Hong Kong and was included into our Group as part of the Reorganisation. We have also established BoardWare HK with a view to establish our operation of providing enterprise IT solutions in Hong Kong.

Our business and corporate milestones are set out below. See the section headed “Business” in this document for further details of our business operation.

Milestones

The following events are our key business and corporate milestones since our establishment:

<u>Year</u>	<u>Business development</u>
2010	<ul style="list-style-type: none">• First commenced our business of provision of enterprise IT solutions services in Macau through BoardWare Macau• Became a partner of HPE
2012	Completed our first major mobility and network project for one of the casino resorts located at Cotai Strip in Macau
2013	Establishment of our presales team and professional service department
2014	Establishment of BoardWare ZH in the PRC

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<u>Year</u>	<u>Business development</u>
2016	<ul style="list-style-type: none">• Completed our first IT infrastructure system project for one of the casino resorts located at Cotai Strip in Macau• Became a partner of NetApp
2017	<ul style="list-style-type: none">• Acquisition of Synergy CCL• Establishment of BoardWare HK• First recognised as a certified three-star enterprise IT and Data Communication service partner of Huawei
2018	Launched our own cybersecurity operation centre (SOC) in Macau and our managed service under which we, as an outsourced IT service provider, offer a selected range of managed services involving a single management IT platform and proactively monitor and manage our customers’ systems and infrastructures remotely
2019	<ul style="list-style-type: none">• Completed an IT infrastructure and security solution project for one of the six gaming companies in Macau• Began to provide SOC services to a Macau governmental body• Obtained ISO 27001 certification in relation to our SOC in Macau• Became a member of Forum of Incident Response and Security Teams (FIRST) based in Macau• Awarded with the Macau Enterprise Award by the Business Awards of Macau• First being recognised as a 5-star partner on IP network support of Huawei
2020	<ul style="list-style-type: none">• Provided private cloud service solution for a subsidiary of an international gaming and hotel chain (which is also one of the six gaming companies in Macau)• Establishment of BoardWare GZ Branch in Guangzhou, the PRC
2021	<ul style="list-style-type: none">• Became a principal partner of VMWare• Establishment of BoardWare NS

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PRINCIPAL SUBSIDIARIES

BoardWare Macau

BoardWare Macau is one of our main operating subsidiaries which is material to our performance during the Track Record Period.

BoardWare Macau was incorporated in Macau with limited liability on 21 April 2003 and did not commence business until June 2010. As part of his business strategies, Mr. Chao generally incorporates business vehicles when he has certain development inception and sometimes well before there is any actual business opportunity, so that the company name can be reserved and the company can turn into operation immediately when business opportunities arise. As such, BoardWare Macau commenced its business in 2010, seven years after its incorporation, when it captured the opportunity to have business with HPE. BoardWare Macau principally engages in the provision of enterprise IT solutions services in Macau. Upon its incorporation, BoardWare Macau had a registered capital of MOP25,000 which was represented by one quota of the nominal amount of MOP25,000 which was held by Ms. Wong Pui Fan, spouse of Mr. Chao, on benefit of Mr. Chao. On 27 January 2010, Mr. Chao acquired the quota of the nominal amount of MOP25,000 in BoardWare Macau from Ms. Wong Pui Fan at a consideration of MOP50,000. On 11 January 2011, Mr. Chao divided his quota of the nominal amount of MOP25,000 into two quotas, namely MOP20,000 and MOP5,000, and assigned the quota of the nominal amount of MOP5,000 to Ms. Chiu at a consideration of MOP10,000 who held the quota on benefit of Mr. Chao. Pursuant to the irrevocable power of attorney with ratification entered into by Ms. Chiu on 4 March 2021, Ms. Chiu who was holding a quota of the nominal amount of MOP5,000 in the registered capital of BoardWare Macau at that time, has ratified the acts executed on her behalf by Mr. Chao, since 11 January 2011, regarding the ownership of the aforementioned quota in BoardWare Macau, as well as her capacity as a shareholder of BoardWare Macau and granted to Mr. Chao powers relating to, amongst others, (i) the exercise of any corporate rights relating to the quota she holds; (ii) the exercise of all the obligations, duties and rights arising from ownership of the quota she holds; (iii) the execution of promissory or definitive agreements of partial or total assignment of the quota she holds; and (iv) the execution of deeds and other documents necessary or appropriate for the execution of the abovementioned acts. As a result, according to our Macau Legal Advisers, the entire registered capital of BoardWare Macau was beneficially owned by Mr. Chao. As confirmed by our Directors, such shareholding arrangement was made having regarded the consideration that limited liability companies with sole registered shareholder are in a less preferable situation when doing business in the IT solutions industry in Macau as compared to the limited liability companies with more than one registered shareholder, based on their experience.

On 4 March 2021, as part of the Reorganisation, Mr. Chao transferred and assigned the quota of the nominal amount of MOP20,000 to BoardWare BVI (I) and Ms. Chiu transferred and assigned the quota of the nominal amount of MOP5,000 to BoardWare BVI (II) at the direction of Mr. Chao, and the aforementioned arrangement between Mr. Chao and Ms. Chiu was ceased thereafter. See the paragraph headed “Reorganisation — Transfer of BoardWare Macau to BoardWare BVI (I) and BoardWare BVI (II)” in this section for further details. As at the Latest Practicable Date, BoardWare Macau was an indirect wholly-owned subsidiary of our Company.

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Synergy CCL

Synergy CCL is one of our main operating subsidiaries which is material to our performance during the Track Record Period.

Synergy CCL was incorporated in Hong Kong with limited liability on 30 October 1990. Upon its incorporation, Synergy CCL had an authorised share capital of HK\$10,000 divided into 10,000 shares of HK\$1.00 each and one subscriber share was held by each of the two initial subscribers, which were Independent Third Parties. Synergy CCL principally engages in the distribution of mobility and security related hardware and the associated system in Hong Kong. Immediately prior to 27 October 2017, the issued share capital of Synergy CCL was wholly-owned by two individuals who were Independent Third Parties, one of whom was a director of Synergy CCL during October 2011 to July 2019 (the “**First Independent Third Party**”) and the other is the director of Guangzhou Xinshangan Information Technology Co., Ltd.* (廣州市信尚安資訊技術有限公司) (the “**Second Independent Third Party**”), which is a company specialised in software and computer technology development and providing information technology consulting services and wholesale of electronic products. To the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, Synergy CCL was one of the indirect subsidiaries of China Fortune Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 110) until 2005, prior to the acquisition of Synergy CCL by the two aforementioned Independent Third Parties in 2011. Save as these two individuals having been the former shareholders and directors of Synergy CCL, there is no past or present relationship (business, employment, family, trust, financing or otherwise) between (a) such two Independent Third Parties and (b) our Company, its subsidiaries, its shareholders, our Directors or senior management, or any of their respective associates. At that time, the principal activities of the aforementioned listed company were mainly in the distribution and trading of mobile phones and related accessories, computer products and the development of marketing and after-sales service network.

From 2005 to 30 August 2011, Synergy CCL was held by Synergy Pacific (Holding) Limited (“**Synergy Pacific**”) as to 29,499 shares and the First Independent Third Party as to one share, and was principally engaged in distribution of mobility and computer products during the same period.

On 31 August 2011, Synergy Pacific transferred its entire shareholding in Synergy CCL to the First Independent Third Party. On 24 October 2011, 170,500 and 800,000 additional shares in Synergy CCL were allotted to the two aforementioned Independent Third Parties, respectively. As a result, Synergy CCL was then held by the First Independent Third Party as to 200,000 shares and the Second Independent Third Party as to 800,000 shares.

On 27 October 2017, Mr. Chao acquired the entire issued share capital of Synergy CCL from the abovementioned Independent Third Parties at a total consideration of HK\$14,400,000, which comprised goodwill in the amount of HK\$10,000,000 and unaudited net asset value of Synergy CCL in the amount of HK\$4,400,000 as at 31 March 2017. The consideration was determined under the commercial judgement of Mr. Chao which based on the assumption that Synergy CCL can generate a minimum average annual net profit of HK\$4,000,000 and resulting in an expected payback period of 3.6 years. Such assumption of generation of annual net profit was fulfilled for the three years after the acquisition. The consideration was mutually agreed by Mr. Chao and the predecessor owners of Synergy CCL through normal business negotiation and based on the existing and potential financial performance as well as the strength of Synergy CCL as a value-added distributor of Wireless LAN products, and was solely the commercial decision made between both

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parties. Mr. Chao did not engage any financial adviser for such acquisition and P/E multiple was not referred to in this transaction. As a result, the issued share capital of Synergy CCL became wholly-owned by Mr. Chao.

The following table sets out the key financial information of Synergy CCL during the Track Record Period:

	Year ended 31 December		
	2019	2020	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	173,139	167,407	145,135
Cost of sales	(147,013)	(140,446)	(117,467)
Gross profit	26,126	26,962	27,668
Operating profit	7,000	9,593	6,903
Net profit	5,997	8,228	5,800
Gross profit margin (%)	15.09	16.11	19.06
Net profit margin (%)	3.46	4.91	4.00
Inventories	16,346	12,617	23,877
Accounts receivables	33,638	38,402	46,614
Retained earnings	9,941	18,168	23,968

On 4 March 2021, as part of the Reorganisation, Mr. Chao transferred his entire shareholding in Synergy CCL to Synergy BVI. See the paragraph headed “Reorganisation — Transfer of Synergy CCL to Synergy BVI” in this section below for further details. As at the Latest Practicable Date, Synergy CCL was an indirect wholly-owned subsidiary of our Company.

BoardWare ZH

BoardWare ZH was established in the PRC as a wholly-foreign owned enterprise on 20 November 2014 with an initial registered capital of RMB3,500,000. As at the Latest Practicable Date, the registered capital of BoardWare ZH was RMB20,000,000 and had been fully paid up. It is the operating arm of our business in Hengqin, the PRC and commenced its business in March 2020. At the time of establishment, BoardWare ZH was wholly-owned by Mr. Chao. As Mr. Chao’s consistent business strategies, BoardWare ZH was established at an early stage with the aim to tap into the regional market of the Greater Bay Area, given Macau’s relatively small market; while it commenced business in recent years due to the strategy of our Group to tap into the rapid growth of the IT solutions market in the Greater Bay Area and the favourable government policies to further the growth of the IT industry in, and the migration of the enterprises to, Hengqin.

On 16 March 2020, Mr. Chao transferred his interests in the entire registered capital of BoardWare ZH to BoardWare Macau at a total consideration of RMB3,500,000. On the same date, BoardWare ZH had its registered capital increased from RMB3,500,000 to RMB20,000,000. After the abovementioned transfer and increase in registered capital, BoardWare ZH became a wholly-owned subsidiary of BoardWare Macau.

BoardWare ZH established a branch office in Guangzhou, the PRC on 20 May 2020.

As at the Latest Practicable Date, BoardWare ZH was an indirect wholly-owned subsidiary of our Company.

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BoardWare HK

BoardWare HK was incorporated in Hong Kong with limited liability on 30 March 2017 with the aim to further establish our Group's operation of providing enterprise IT solutions in Hong Kong when business opportunity arises. Upon its incorporation, BoardWare HK had an issued share capital of HK\$10,000 divided into 10,000 shares which was held by Ms. Chiu on trust for Mr. Chao. As confirmed by our Directors that, the trust arrangement of BoardWare HK was mainly due to the reason that, given the close relationship between Mr. Chao and Ms. Chiu and Ms. Chiu's identity as Hong Kong permanent citizen, it was more administratively practical by allowing Ms. Chiu to handle on Mr. Chao's behalf the incorporation and all other company secretarial affairs of such company in Hong Kong. In May 2021, BoardWare HK had commenced its business operation in the provision of professional IT services and the resale of hardware and software in Hong Kong.

On 29 October 2019, at the direction of Mr. Chao, Ms. Chiu transferred the entire issued share capital of BoardWare HK to BoardWare Macau at a total consideration of HK\$10,000. As a result, the issued share capital of BoardWare HK was wholly-owned by BoardWare Macau.

As at the Latest Practicable Date, BoardWare HK was an indirect wholly-owned subsidiary of our Company.

BoardWare NS

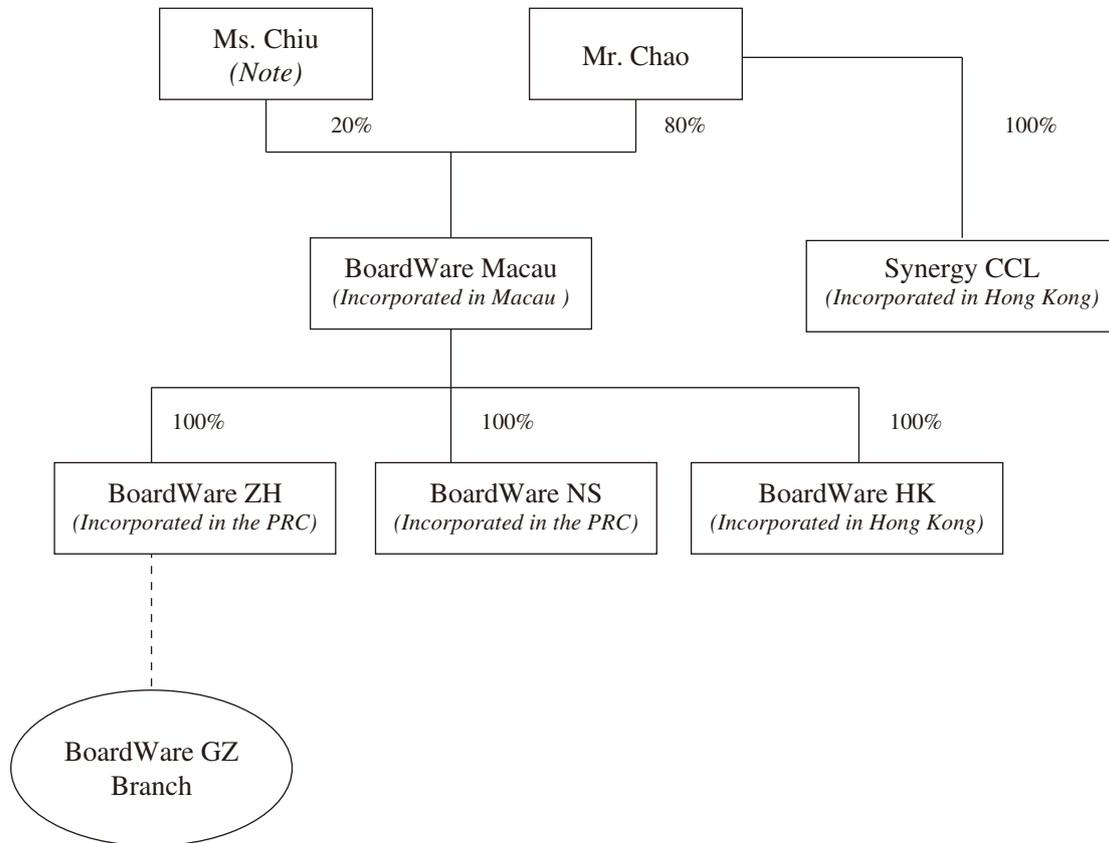
BoardWare NS was established in the PRC as a wholly-foreign owned enterprise on 8 January 2021 with an initial registered capital of RMB20,000,000 with a paid up capital of RMB7,000,000 as at the Latest Practicable Date. At the time of establishment, the registered share capital of BoardWare NS was wholly-owned by BoardWare Macau. In September 2021, BoardWare NS had commenced its business operation in the provision of professional IT services and the resale of hardware and software in Guangzhou.

As at the Latest Practicable Date, BoardWare NS was an indirect wholly-owned subsidiary of our Company.

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REORGANISATION

The following diagram sets out the shareholding and corporate structure of our Group prior to the Reorganisation:



Note: Ms. Chiu held the 20% interest in the registered capital of BoardWare Macau on behalf of Mr. Chao pursuant to the irrevocable power of attorney with ratification dated 4 March 2021 granted by Ms. Chiu to Mr. Chao. As such, Mr. Chao was the sole beneficial owner of the 20% interest in the registered capital of BoardWare Macau held by Ms. Chiu. Therefore, the entire registered capital of BoardWare Macau was beneficially owned by Mr. Chao.

Our Group has undergone the Reorganisation in preparation for the [REDACTED] which involved the following steps:

Incorporation of our Company

Our Company, which was incorporated in the Cayman Islands as an exempted company with limited liability on 18 February 2021 and registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 7 June 2021. On its incorporation, our Company's authorised share capital was HK\$380,000 divided into 38,000,000 ordinary shares of a par value of HK\$0.01 each. Upon incorporation, one subscriber ordinary share of a par value of HK\$0.01 was issued as fully-paid to an initial subscriber which transferred the one subscriber ordinary share to Tai Wah at nominal value. Upon completion of the aforementioned share transfer, the entire issued share capital of our Company was owned by Tai Wah.

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Incorporation of BoardWare BVI (I)

BoardWare BVI (I) was incorporated in the BVI with limited liability on 19 February 2021. On the date of its incorporation, BoardWare BVI (I) was authorised to issue a maximum of 50,000 ordinary shares of a single class with a par value of US\$1.00 each.

On the date of its incorporation, one ordinary share in BoardWare BVI (I) was allotted and issued as fully-paid to our Company at par value. Upon completion of such allotment and issuance, the only issued share of BoardWare BVI (I) was wholly-owned by our Company.

Incorporation of BoardWare BVI (II)

BoardWare BVI (II) was incorporated in the BVI with limited liability on 19 February 2021. On the date of its incorporation, BoardWare BVI (II) was authorised to issue a maximum of 50,000 ordinary shares of a single class with a par value of US\$1.00 each.

On the date of its incorporation, one ordinary share in BoardWare BVI (II) was allotted and issued as fully-paid to our Company at par value. Upon completion of such allotment and issuance, the only issued share of BoardWare BVI (II) was wholly-owned by our Company.

Incorporation of Synergy BVI

Synergy BVI was incorporated in the BVI with limited liability on 19 February 2021. On the date of its incorporation, Synergy BVI was authorised to issue a maximum of 50,000 ordinary shares of a single class with a par value of US\$1.00 each.

On the date of its incorporation, one ordinary share in Synergy BVI was allotted and issued as fully-paid to our Company at par value. Upon completion of such allotment and issuance, the only issued share of Synergy BVI was wholly-owned by our Company.

Transfer of BoardWare Macau to BoardWare BVI (I) and BoardWare BVI (II)

On 4 March 2021, Mr. Chao and Ms. Chiu (on benefit of Mr. Chao) transferred and assigned their respective quotas in the registered capital of BoardWare Macau, being a quota of the nominal amount of MOP20,000 and MOP5,000 (held by Ms. Chiu on benefit of Mr. Chao), respectively, which in aggregate represent the entire registered capital of BoardWare Macau, to BoardWare BVI (I) in respect of a quota of the nominal amount of MOP20,000 and to BoardWare BVI (II) in respect of a quota of the nominal amount of MOP5,000, at a total consideration of MOP25,000.

The consideration for the transfers was agreed to be settled by our Company by allotting and issuing, credited as fully-paid, 8,610 Shares to Tai Wah, under the instructions of Mr. Chao, pursuant to (i) a sale and purchase agreement dated 4 March 2021 entered into between (a) BoardWare BVI (I) and BoardWare BVI (II) (as purchasers); (b) Mr. Chao and Ms. Chiu (as vendors); (c) BoardWare Macau; (d) Tai Wah; and (e) our Company; and (ii) two assignment of shares agreements, both dated 4 March 2021, which were entered into between (a) BoardWare BVI (I) (as purchaser) and Mr. Chao (as vendor); and (b) BoardWare BVI (II) (as purchaser) and Ms. Chiu (as vendor). As a result, BoardWare Macau became an indirect wholly-owned subsidiary of our Company through BoardWare BVI (I) and BoardWare BVI (II).

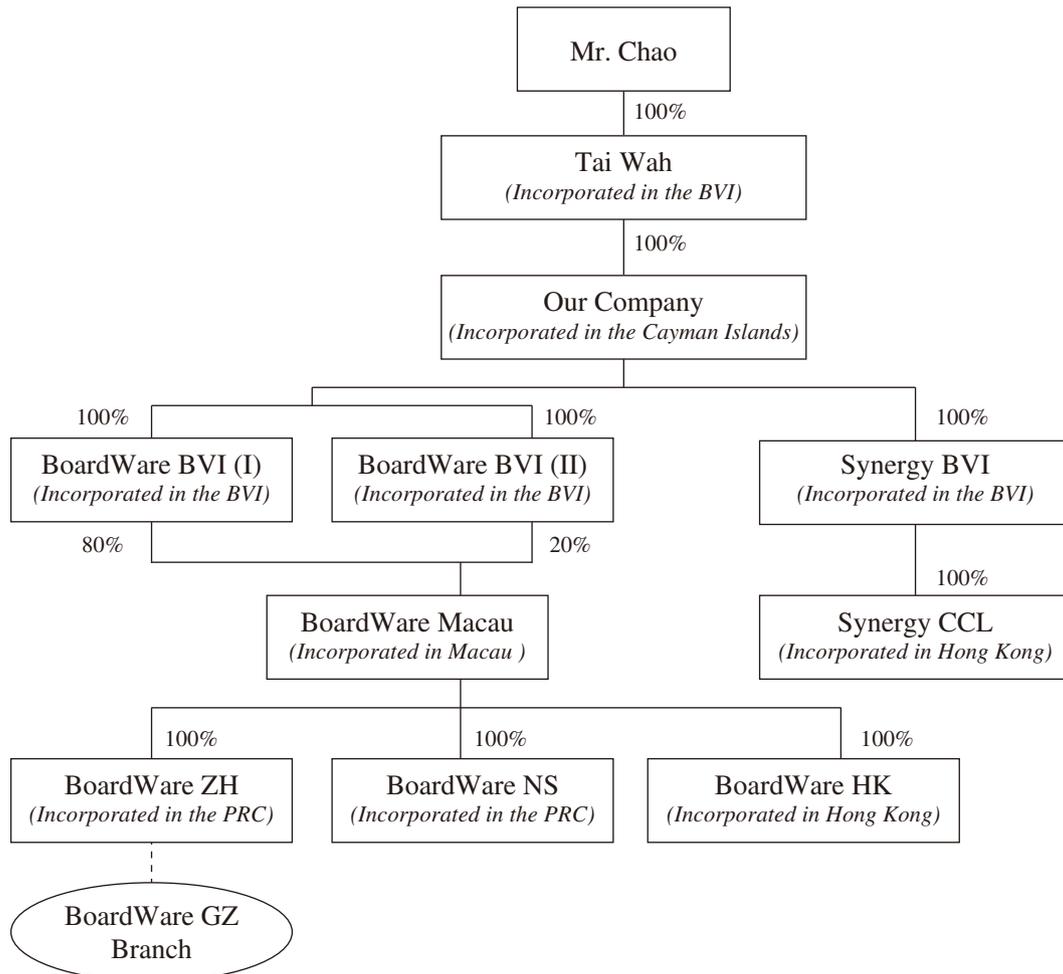
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Transfer of Synergy CCL to Synergy BVI

On 4 March 2021, Mr. Chao transferred his entire shareholding interest in Synergy CCL, being 1,000,000 shares which represent the entire issued shares of Synergy CCL, to Synergy BVI at the consideration of HK\$20,029,000, which is determined based on the unaudited net asset value of Synergy CCL as at 31 December 2020 and which is agreed to be settled by our Company by allotting and issuing, credited as fully-paid, 1,389 Shares to Tai Wah, under the instructions of Mr. Chao, pursuant to a sale and purchase agreement dated 4 March 2021 entered into between (i) Synergy BVI (as purchaser); (ii) Mr. Chao (as vendor); (iii) Synergy CCL; (iv) Tai Wah; and (v) our Company. As a result, Synergy CCL became an indirect wholly-owned subsidiary of our Company through Synergy BVI.

Upon completion of the Reorganisation, our Company became the holding company of the members of our Group.

The following diagram sets out the shareholding and corporate structure of our Group immediately following completion of the Reorganisation but before the [REDACTED], the [REDACTED] and the [REDACTED]:



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[REDACTED]

For the long-term business development of our Group, we entered into the below [REDACTED].

Purchases and subscriptions of Shares

On 23 March 2021, each of DHQ and Kallo, as our [REDACTED], entered into a purchase and subscription agreement with Tai Wah and our Company for the purchase and subscription of an aggregate of 1,890 Shares, which, in aggregate, represented approximately 17.0% of the total issued share capital of our Company prior to the [REDACTED] and the [REDACTED], and the [REDACTED] have become our Shareholders since then.

The purchase and subscription agreements mentioned above are collectively referred to as the “Purchase and Subscription Agreements” and each a “Purchase and Subscription Agreement”.

A summary of the [REDACTED] made by each of the [REDACTED] and principal terms and conditions of the respective Purchase and Subscription Agreement are set out below:

[REDACTED]	DHQ	Kallo
Date of purchase and subscription of Shares	23 March 2021	23 March 2021
Aggregate consideration paid for the purchase and subscription of Shares.	HK\$56.1 million	HK\$23.5 million
Basis of consideration	Based on arm’s length negotiation between the parties after taking into consideration of a valuation of our Group as at 31 December 2020 conducted by an independent valuer	
Date on which the consideration was fully and irrevocably settled	23 March 2021	23 March 2021
Number of Shares purchased	499	249
Number of Shares subscribed	834	308
Total number of Shares purchased and subscribed and approximate percentage of shareholding in our Company upon completion of the purchase and subscription	1,333, 11.964%	557, 4.999%
Number of Shares and approximate percentage of shareholding in our Company immediately upon [REDACTED] (Note 1)	[REDACTED]	[REDACTED]

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[REDACTED]	DHQ	Kallo
Investment cost per Share.	HK\$[REDACTED]	HK\$[REDACTED]
Premium/(Discount) to the mid-point of the indicative [REDACTED] range (<i>Note 2</i>) . .	[REDACTED]	[REDACTED]
Use of [REDACTED] in relation to the subscriptions of Shares . .	<p>The [REDACTED] from the subscriptions of Shares by the [REDACTED] will be used for working capital of our Group and the settlement of our trade payables. As at 31 December 2021, 100% of such [REDACTED] had been utilised.</p>	
Strategic benefits to our Group . .	<p>Widen our capital base. Furthermore, our Directors are of the view that our Company could benefit from [REDACTED] commitment to our Company as their [REDACTED] demonstrates their confidence in our operations and serves as an endorsement of our performance, strength and prospects.</p> <p>Our Directors are also of the view that the presence of DHQ as one of our Shareholders would facilitate our business strategy of capturing business opportunities in the Greater Bay Area, and we could also draw on the extensive networks and experience of Mr. Chui Sai Peng Jose in the science and technology industry in Macau to advance our other future plans and business strategies after his investment in our Company through Kallo. For further details of Mr. Chui’s experience which can facilitate our Company’s future plans and business strategies, see the paragraph headed “[REDACTED] — Information about the [REDACTED] — Kallo” in this section.</p>	
Lock-up period and [REDACTED].	<p>The Shares held by each of the [REDACTED] as at the [REDACTED] will be subject to lock-up for a period of twelve months from the [REDACTED].</p> <p>In view of (i) the [REDACTED] are Independent Third Parties; (ii) as represented by each of the [REDACTED], it is independent of and not acting upon or accustomed to take instructions from, or directly or indirectly, funded or backed by, or acting in concert with (as defined in the Takeovers Code), any connected persons of our Company in relation to the control of our Company or any acquisition, disposal, voting or any other disposition of securities in our Company; and (iii) none of the [REDACTED] will become a substantial shareholder of our Company upon [REDACTED], the Shares held by the respective [REDACTED] immediately after [REDACTED] will be considered as part of the [REDACTED] after [REDACTED] for the purpose of Rule 8.08 of the Listing Rules.</p>	

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Notes:

1. Based on the number of Shares held by each of the [REDACTED], the total number of Shares to be issued to each of them pursuant to the [REDACTED] and the total number of Shares in issue upon completion of the [REDACTED] and the [REDACTED], taking no account of any Shares which may be taken up under the [REDACTED] and any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme.
2. Based on the [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] range).

Special rights granted to DHQ

Pursuant to the Purchase and Subscription Agreement of DHQ, Tai Wah and/or our Company have granted to DHQ the following rights exercisable in accordance with the terms and conditions of the relevant Purchase and Subscription Agreement:

- (i) **Rights of first refusal** If (a) the [REDACTED] is not consummated on or before 31 December 2023; and (b) Tai Wah proposes to dispose of its Shares or purchase from a Shareholder other than DHQ any Shares at a given price (the “Offered Price”), DHQ shall have the first right to sell its Shares at the [REDACTED] to the third party purchaser/Tai Wah.
- (ii) **Put option** If the [REDACTED] is not consummated on or before 31 December 2023, DHQ shall have the right on or before 31 December 2025 to require our Company or Tai Wah to purchase all the new Shares subscribed by DHQ (the “Option Shares”) under the [REDACTED] at the price equal to the sum of the total consideration of the Shares subscribed by DHQ under the [REDACTED] and a fixed rate interest.
- (iii) **Director nomination right** DHQ shall have the right to nominate one person to be appointed as a Director prior to the [REDACTED].
- (iv) **Resolution** All Board resolutions of our Company shall be passed by no less than two-thirds of our Directors who are present at the Board meeting.
- (v) **Veto rights** Unanimous approval of all Directors including the Director nominated by DHQ is required for matters in relation to certain major corporate actions of our Company including without limitation: disposal of assets with a value over 30% of the latest audited net asset value of our Company, investment with a value over 30% of the latest audited net asset value of our Company, creating encumbrance on assets over certain thresholds, amending existing rights of Directors, dispute resolutions and directly or indirectly changing or expanding the scope of business of our Company.

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(vi) **Restrictions on transfer**

On or before 31 December 2021, Tai Wah shall not, without the prior written consent of DHQ, dispose of any Shares or any securities of our Company or create any encumbrance on its Shares. After 31 December 2021, Tai Wah shall not, without the prior written consent of DHQ, dispose of any Shares or any securities of our Company if (a) Tai Wah would cease to be a Controlling Shareholder after the disposal; (b) the disposal would directly cause the net asset value of our Company to decrease as compared to the net asset value immediately before the disposal; and (c) the transferee of the Shares or securities of our Company belongs to one of the classes of persons specified under the Purchase and Subscription Agreement.

Save for the above, no other special rights were granted to the [REDACTED]. No special rights were granted to the [REDACTED] that will survive the [REDACTED].

Guarantee

A guarantee was granted by Mr. Chao and Ms. Chiu in favour of DHQ on 23 March 2021 for the due and punctual performance and observance by Tai Wah and our Company of their obligations under the Purchase and Subscription Agreement to purchase the Option Shares under the abovementioned put option. Mr. Chao and Ms. Chiu jointly and severally agreed to guarantee the performance and observance by Tai Wah and our Company of their obligations under the abovementioned put option. The guarantee shall lapse upon [REDACTED], in accordance with the terms of the guarantee, Tai Wah and our Company discharging their obligations under the abovementioned put option in accordance with the terms of the Purchase and Subscription Agreement or lapse of the put option in accordance with the terms of the Purchase and Subscription Agreement, whichever is earlier.

Information about the [REDACTED]

DHQ

DHQ is a company incorporated in Macau on 3 December 2019. It is an investment company and a wholly-owned subsidiary of 珠海大橫琴集團有限公司 (Zhuhai Da Heng Qin Group Limited*) (“**Zhuhai DHQ Group**”). Zhuhai DHQ Group is in turn owned by 珠海市人民政府國有資產監督管理委員會 (the State-owned Assets Supervision and Administration Commission of Zhuhai Municipal People’s Government*) and 廣東省財政廳 (Department of Finance of Guangdong Province*) as to 90% and 10%, respectively. Zhuhai DHQ Group focuses on managing the state-owned assets of the Heng Qin New District government and DHQ is its principal operating arm for conducting and managing investments outside of the PRC. As confirmed by DHQ, apart from its investment in our Company, it does not currently have other investments, and the source of funding for the investment in our Company came from its own internal resources.

DHQ became acquainted with our Group through its business tour in Macau in October 2020. Given our reputation in the industry, the long-standing track record and the growth potentials of the market in which we operate, DHQ invested in our Company as it believes that the investment in our Group would be worthwhile. Save for being a [REDACTED] and the fact that Mr. Li Haodong is also a director and the general manager of DHQ, neither DHQ nor its beneficial owner has any relationship with our Group or any connected person of our Company, and is an Independent Third Party.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Kallo

Kallo is an investment holding company incorporated in the BVI on 21 May 2020. Its issued share capital is owned by Mr. Chui Sai Peng Jose and his two sons, namely Mr. Chui Derek Tinyol and Mr. Chui Calvin Tinlop (the “**Chui Family**”), as to 60%, 20% and 20%, respectively. To the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, as an investment vehicle of the Chui Family, Kallo has an investment portfolio covering various companies established in Macau and the Greater Bay Area. Mr. Chui Sai Peng Jose has extensive experience in the promotion and development of the science and technology industry of Macau. In this regard, Mr. Chui currently holds the following key positions: (i) one of the chairman of The Association for Promotion of Science and Technology of Macau; (ii) the vice chairman of the board of directors and chief executive officer of Parafuturo de Macau Investment and Development Limited, a company based in Zhongshan, the PRC and being appointed by the Government of Macau to implement policies that aim to promote business start-ups and innovation in Guangdong and Macau; (iii) a member of the national committee of the China Association for Science and Technology; and (iv) the deputy director of the Mainland and Macao Science and Technology Co-operation Committee. Mr. Chui is also a Macau delegate to the National People’s Congress of the PRC and a member of the Legislative Assembly of Macau. As a Macau delegate to the National People’s Congress of the PRC, Mr. Chui submitted the proposal on 《關於促進澳門參與粵港澳大灣區珠江西岸工業互聯網建設的建議》 (Promoting Macau’s Participation in the Construction of Industrial Internet on the West Bank of the Pearl River in the Guangdong-Hong Kong-Macao Greater Bay Area*) during the two sessions of the National People’s Congress held in March 2019. Mr. Chui was one of the announced winners of 《第二屆全國創新爭先獎》 (the 2nd National Innovation Competition Awards*) in May 2020. As confirmed by the Chui Family, apart from the investment in our Company, they also have other investments, and the source of funding for the investment of Kallo in our Company came from their own personal resources.

The Chui Family became acquainted with Mr. Chao and our Group through the referral of a mutual acquaintance in around May 2020. Given our reputation in the industry and the growth potentials of the market in which we operate, the Chui Family, through Kallo, invested in our Company as they believe the market in which our Group serves has great potential and that the investment in our Group would be worthwhile. Save for being a [REDACTED], neither Kallo nor the Chui Family has any relationship with our Group or any connected person of our Company, and are Independent Third Parties.

As confirmed by each of the [REDACTED], save for the [REDACTED], they have not invested in other companies conducting businesses similar or related to those of our Group. To the best of our Directors’ knowledge and as confirmed by the [REDACTED], save for the Purchase and Subscription Agreements and the personal guarantees provided by Mr. Chao and Ms. Chiu in favour of DHQ, there is no other agreement, arrangement or undertaking, verbal or in writing, with our Group, its shareholders and directors and/or among the [REDACTED] as regards their investments in our Group. To the best knowledge of our Directors, the [REDACTED] are independent from each other.

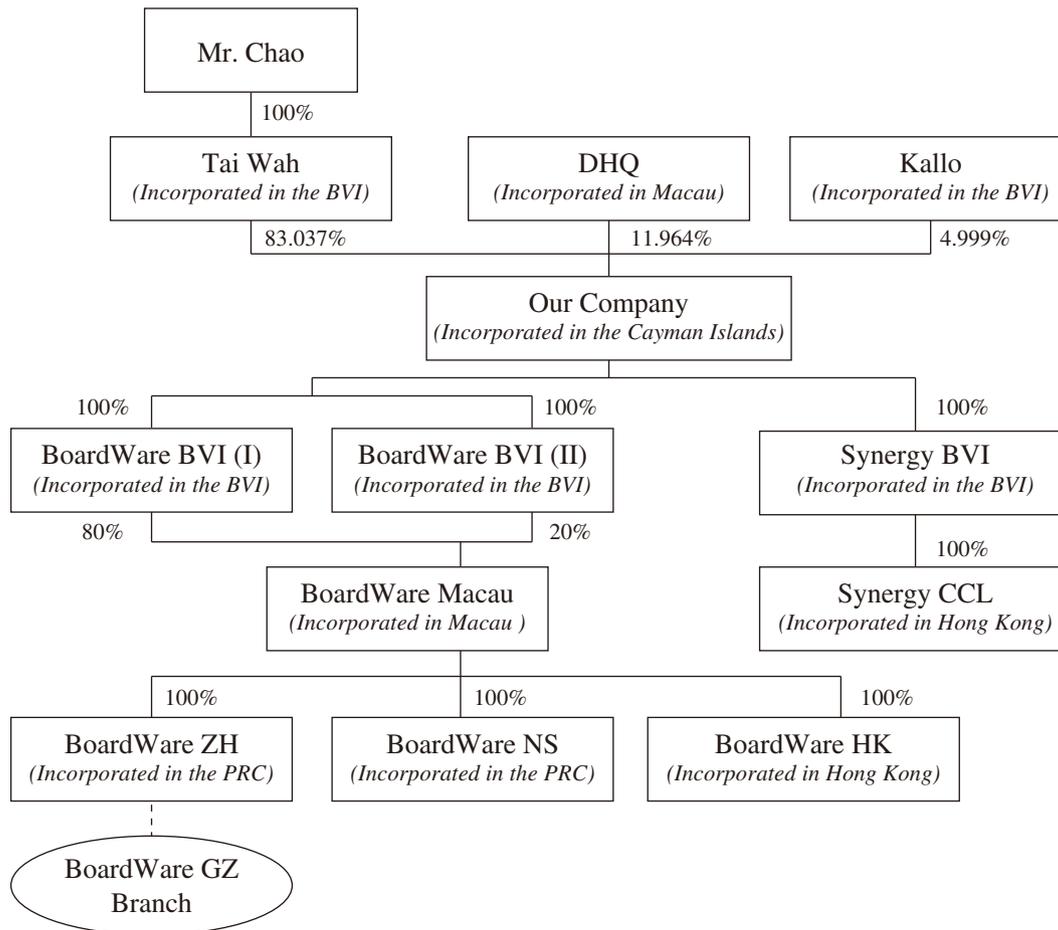
HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Sponsor’s confirmation

Since the consideration for the [REDACTED] was fully and irrevocably settled by the [REDACTED] more than 28 clear days before the date of submission of the [REDACTED] application by our Company and no special rights were granted to the [REDACTED] that will survive the [REDACTED], the Sole Sponsor is of the view that the [REDACTED] are in compliance with the Interim Guidance on [REDACTED] HKEx-GL29-12 and the Guidance on [REDACTED] HKEx-GL43-12 issued by the Stock Exchange.

CORPORATE STRUCTURE

The following diagram sets out the shareholding and corporate structure of our Group immediately before the completion of the [REDACTED] and the [REDACTED]:



HISTORY, REORGANISATION AND CORPORATE STRUCTURE

The following diagram sets out the shareholding and corporate structure of our Group immediately upon completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised and taking no account of any Shares which may be taken up under the [REDACTED] and any Shares which may be allotted and issued pursuant to the exercise of options to be granted under the Share Option Scheme):

