

SUMMARY

This summary is an overview of the information contained in this Document and does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the [REDACTED].

There are risks associated with any investment. Some of the particular risks in investing in the [REDACTED] are set out in the section headed “Risk Factors” in this Document. You should read that section carefully before you decide to invest in the [REDACTED].

OVERVIEW

We are a PRC IoT solution and telecommunication equipment provider, serving a broad range of industrial customers. During the Track Record Period, we mainly provided customized IoT solutions to customers in various industries, and researched, developed and sold telecommunication equipment. To a lesser extent, we also generated revenue from provision of other services during the Track Record Period, such as telecommunication equipment maintenance and telecommunication consulting services. As a technology-driven company, we continuously invest and are planning to invest more in R&D, in order to cater the changing needs from customers in diversified industries with advanced technologies. In particular, according to the Frost & Sullivan Report, the PRC private 5G network market has become an emerging industry segment in the PRC IoT market since 2020, occupying approximately 0.2% market share of the PRC IoT market in 2021. The market share of the PRC private 5G network market in the PRC IoT market is expected to further increase to approximately 4.3% in 2026. With the promotion of 5G commercial applications in the PRC, we have strategically started providing 5G telecommunication equipment and private 5G network solutions to our customers since 2019 and 2020, respectively.

We are an IoT solution provider in the PRC. Leveraging our advanced technologies in IoT hardware and software and in-depth industry insights, we offer customized IoT solutions to our customers in manufacturing, municipal services and other industries in the PRC to assist our customers to monitor operational conditions, improve facilities utilization and enhance business operation efficiency through digitalization. Catering to customers’ specific needs, we are flexible in providing our customers with either integrated IoT solutions or IoT software solutions. In return, our customers pay us service fees for such solutions. In particular, leveraging our strong R&D capabilities in 5G radio frequency area, we are able to offer our customers with private 5G network solutions of high multi-Gbps peak data speeds, ultra-low latency, reliability, massive network capacity, increased availability, enhanced information security and uniform user experience. During the Track Record Period and up to the Latest Practicable Date, we had accomplished a total of 93 IoT solution projects, among which 18 projects were private 5G network solutions.

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In addition to our IoT solutions, we also sell 5G and other telecommunication equipment in the PRC and export antennas to the United States and Russia, which contribute a recurring and relatively predictable revenue stream to us. We offer a wide range of telecommunication equipment that can be adapted in various wireless communication networks, including but not limited to 4G and 5G. During the Track Record Period and up to the Latest Practicable Date, we had sold telecommunication equipment of 336 SKUs.

One of our core competitive strengths that underpins our success is our comprehensive R&D capability and hardware and software integration capacity. We have established the double-centered R&D teams in Nanjing and Shenzhen primarily for hardware and software design, respectively, which enables us to provide the integrated option for our customers with telecommunication equipment and data management platform. During the Track Record Period, we successfully developed our proprietary 5G telecommunication equipment with certain self-developed core module and software embedded, such as front end module, digital front-end algorithm and protocol stack. Meanwhile, we also developed and have been upgrading an IoT software product, namely Universal IoT Platform, our centralized data platform of our IoT solutions, which provides the infrastructural functions for upper applications, such as data sieving, reformulation and classification and device management. As of the Latest Practicable Date, we had 92 utility model patents, 17 patents for invention, two patents for industrial design and 80 copyrights registered in the PRC in relation to such IoT solutions and telecommunication equipment. We have continuously expanded our R&D department, which comprising 47 R&D professionals as of May 31, 2022, representing 58.0% of our total employees as of the same date.

We generally outsource the production of our telecommunication equipment to OEM manufacturers, and conduct the strict quality control on such OEM manufacturers. Outsourcing equipment manufacturing allows us to focus on strategic core competencies, such as hardware and software development and upgrade. In addition, we established an assembly and testing center in Shenzhen for assembly and testing of certain IoT antenna products with simple design or certain key production process that may affect the performance of our IoT antenna products.

We have continuously improved our financial performance during the Track Record Period. Our revenue increased from RMB80.9 million in 2019 to RMB189.6 million in 2021 at a CAGR of 53.1%. Our revenue further increased by 56.2% from RMB53.1 million for the five months ended May 31, 2021 to RMB82.9 million for the same period in 2022. Our net profit increased from RMB17.4 million in 2019 to RMB34.4 million in 2021 at a CAGR of 40.8%. Our net profit further increased by 66.6% from RMB6.3 million for the five months ended May 31, 2021 to RMB10.5 million for the same period in 2022. Since the introduction of 5G technologies in our IoT solutions and telecommunication equipment, revenue generated from 5G technologies-related solutions, equipment and services (“**5G business**”) amounted to RMB2.0 million, RMB69.5 million, RMB72.9 million and RMB51.0 million in 2019, 2020 and 2021 and the five months ended May 31, 2022, respectively, steadily becoming a substantial portion of our overall revenue during the Track Record Period.

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OUR ROLES AND RESPONSIBILITIES IN THE PRC IOT SOLUTIONS MARKET

According to Frost & Sullivan, the value chain of the PRC IoT solutions market generally consists of four layers, arranged vertically: the perception layer at the bottom, the network connectivity layer and the platform layer in the middle, and the application services layer at the top. These four layers respectively correspond to data collection, data transmission, data processing and data application in IoT solutions. Our business primarily gets involved in data transmission and data processing at the network connectivity and platform layers within the value chain midstream, which plays as an infrastructure of the operation of an IoT solution. The following table sets forth (i) the overall functions of each layer of the value chain, and (ii) our roles, responsibilities and value proposition within each layer of the value chain:



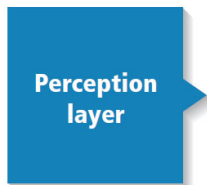
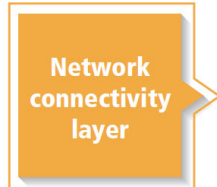
- Market players in the application services layer are responsible for delivering application specific services to IoT solution users. The application services layer is the interface between the IoT and users, and the smart application of the IoT. Application combines the IoT with specific industry needs and provides a set of solutions for smart application of the IoT. Such applications could be applied in fields as such smart factory, smart tourism, smart community, smart mining, smart agriculture and otherwise.
- Although we have been focusing on the network connectivity layer and the platform layer since our inception, we have been also expanding our footprint in the application services layer. The primary application scenarios of our IoT solutions are IIoT industry, such as smart manufacturing, smart mining, smart agriculture, smart finance, and smart city (including smart community and smart tourism). In our IIoT solutions, we developed MES system that deployed in the integrated IIoT solutions as upper application services for customers in manufacturing industry.

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- Market players in the platform layer are responsible for data processing, including among others, data analytics, management, and archiving. This layer is an optional layer based on customers’ needs, primarily comprising intelligent platforms, big data, and AI analysis platforms.
- We developed and have been upgrading our IoT software product, namely Universal IoT Platform (通用物聯網平臺) in the platform layer as one of our core business capabilities. Our Universal IoT Platform is set up between network connectivity layer and the application services layer. Our self-developed Universal IoT Platform provides the infrastructural functions that filter, reformulate, classify and store data for upper platforms that may have cloud storage, cloud computing and big data services. Based on its functions, our IoT solutions help our customers to connect various kinds and brands of sensors and terminals laid in the perception layer, which collect and receive the environment data within the coverage area, transmit the data collected from these devices through common gateway interface to our Universal IoT Platform, and then filter, reformulate and classify data for application interface and display via our Universal IoT Platform. We store the reformulated data by classification in the server or cloud server designated by our customers. The reformulated data can be used in upper applications implemented by our customers, such as MES, artificial intelligence, big data and deep learning, for further data analysis and computing.



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- Market players in the network connectivity layer are responsible for data transmission, which acts as a bridge between perception layer and upper layers. It carries and transmits the information collected from the physical objects through sensors. The medium for the transmission can be wireless or wire based.
- To diversify the connection mode and enhance the stability, reliability and security of network connectivity, we offer our customers various telecommunication equipment, which is adaptable in different connection modes at the network connectivity layer, such as 5G and 4G, and help them to establish the network connection by deploying such equipment. With years of efforts at the network connectivity layer, we successfully developed our proprietary 5G telecommunication equipment, 5G pRRU, with certain self-developed core modules and software embedded, such as front-end module, digital front-end algorithm and protocol stack. In addition to our proprietary telecommunication equipment, we also co-developed or procured other telecommunication equipment with/from our suppliers, such as 5G BBU and certain 4G telecommunication equipment. Although we designed and deployed relevant equipment pursuant to customers' particular needs in various projects during the Track Record Period, the production of equipment used in such solutions are generally outsourced to our OEM partners.
- Market players in the perception layer, which also known as a sensor layer or physical layer, are responsible for design and produce data collection devices. Such devices generally have sensors for sensing and gathering information about the environment.
- We do not focus our business on the perception layer. However, when we provide integrated IoT solutions to our customers, we might procure and deploy sensors upon request by our customers.

Leveraging our success at both network connectivity and platform layers, we have improved compatibility between our software and hardware by integrating the hardware and software into our services, enhancing the performance of our IoT solutions.

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OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths have differentiated us from our competitors:

- As an IoT solution and telecommunication equipment provider equipped with 5G technologies in the PRC IoT market, we are well-positioned to capture the growing demand for IoT solutions and telecommunication equipment in the PRC;
- We offer one-stop IoT solutions with hardware and software integration and short solution delivery capabilities to our customers, which stand us out from our competitors;
- Our strong innovation and research capabilities underpin the foundation of our growth;
- Our diversified product portfolio provides us with stable and growing revenue stream; and
- Our highly motivated, experienced and visionary management combining academic excellence and business insights will ensure the successful development of our business.

OUR BUSINESS STRATEGIES

We intend to leverage our existing strengths and carry out the following strategies to capture growing market opportunities and further solidify our market position:

- Further upgrade and improve our IoT solutions at network connectivity layer;
- Further upgrade our Universal IoT Platform to enhance the platformization of data and provision of the service-oriented application interface;
- Continue to strengthen our R&D capabilities;
- Further strengthen our business development capabilities and broaden our customer base; and
- Selectively pursue strategic acquisitions to integrate industry resources.

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OUR BUSINESS MODEL

During the Track Record Period, we focused on offering IoT solutions and telecommunication equipment to our customers in manufacturing, municipal services and other industries to assist our customers to monitor operational conditions, improve facilities utilization, and enhance business operation efficiency through digitalization. Our revenue were primarily generated from (i) provision of IoT solutions and (ii) sales of telecommunication equipment. To a lesser extent, we also generated revenue from provision of other services, such as telecommunication equipment maintenance and telecommunication consulting services.

We dedicate ourselves fully to developing and providing integrated IoT solutions with hardware and software incorporated. We outsource the production of a substantial portion of our telecommunication equipment to OEM manufacturers, and conduct strict quality control on the products produced by such OEM manufacturers. We generally price our IoT solutions, telecommunication equipment and other services on a “cost-plus” basis, under which we estimate costs to be incurred in the project or transaction plus a reasonable margin with reference to market price.

The following table sets forth the breakdown of our revenue, gross profit and gross profit margin by business lines during the Track Record Period:

	Year ended December 31,									Five months ended May 31,					
	2019			2020			2021			2021			2022		
	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin
	<i>(RMB'000, except percentages)</i>														
	<i>(Unaudited)</i>														
Provision of IoT solutions ⁽¹⁾	41,719	24,164	57.9%	75,518	29,997	39.7%	123,298	57,210	46.4%	29,614	9,408	31.8%	29,576	14,360	48.6%
Sales of telecommunication equipment ⁽²⁾	31,252	7,521	24.1%	41,931	13,537	32.3%	59,969	18,461	30.8%	23,481	7,880	33.6%	52,690	13,980	26.5%
Others ⁽³⁾	7,914	4,713	59.6%	9,976	7,847	78.7%	6,285	3,128	49.8%	-	-	-	681	634	93.1%
Total	80,885	36,398	45.0%	127,425	51,381	40.3%	189,552	78,799	41.6%	53,095	17,288	32.6%	82,947	28,974	34.9%

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Notes:

- (1) IoT solutions include integrated IoT solutions and IoT software solutions. The gross profit margin of provision of IoT solutions decreased from 57.9% in 2019 to 39.7% in 2020, primarily due to the launch of our private 5G network solutions in 2020, the gross profit margin of which is lower than that of non-5G network solutions, as our private 5G network solutions generally incurred higher material costs for the 5G equipment embedded in such solutions. The gross profit margin of our IoT solutions increased from 39.7% in 2020 to 46.4% in 2021, primarily attributable to the increasing proportion of gross profit derived from non-5G IoT solutions in 2021, which were more software-based and had relatively higher gross profit margin.
- (2) Telecommunication equipment includes antennas, 5G telecommunication equipment and other telecommunication equipment. The gross profit margin of sales of telecommunication equipment increased from 24.1% in 2019 to 32.3% in 2020 mainly attributable to the increasing gross profit margin of our antenna products, which contributed to the largest portion of our gross profit from sales of telecommunication equipment in 2020. The increasing gross profit margin of our antenna products was primarily attributable to the relatively higher gross profit margin of IoT antenna products that we exported to the United States in 2020. The gross profit margin from the sales of telecommunication equipment remained relatively stable at 32.3% in 2020 and 30.8% in 2021.
- (3) Others primarily include provision of telecommunication equipment maintenance and telecommunication consulting services.

According to Frost & Sullivan, the PRC private 5G network market has become an emerging industry segment in the PRC IoT market since 2020, the market size of which is expected to increase significantly from 2022 to 2026, reaching RMB236.1 billion in 2026. To capture the vast growth potential of 5G-based IoT market in the PRC, we have begun to upgrade our offering of IoT solutions, telecommunication equipment and services by adopting 5G technologies and started to generate revenue from providing 5G telecommunication equipment and private 5G network solution to our customers, since 2019 and 2020, respectively. The following table sets forth the revenue breakdown, gross profit and gross profit margin by 5G business and non-5G business for the periods indicated.

	Year ended December 31,									Five months ended May 31,					
	2019			2020			2021			2021			2022		
	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin
	<i>(RMB'000, except percentages)</i>														
	<i>(Unaudited)</i>														
5G business	1,972	868	44.0%	69,463	22,632	32.6%	72,874	22,655	31.1%	22,024	7,270	33.0%	51,018	13,426	26.3%
Non-5G business	78,913	35,530	45.0%	57,962	28,749	49.6%	116,678	56,144	48.1%	31,071	10,018	32.2%	31,929	15,548	48.7%
Total	80,885	36,398	45.0%	127,425	51,381	40.3%	189,552	78,799	41.6%	53,095	17,288	32.6%	82,947	28,974	34.9%

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The gross profit margin of our 5G business decreased from 44.0% in 2019 to 32.6% in 2020 mainly because we strategically switched our 5G business focus from sales of 5G antenna products in 2019, to (i) sales of 5G base station and (ii) provision of IoT solution projects involving 5G base stations in 2020, which generally had a lower profit margin but higher contract value than 5G antenna products. The gross profit margin of our 5G business remained stable at 32.6% in 2020 and at 31.1% in 2021, respectively, but it decreased significantly from 33.0% for the five months ended May 31, 2021 to 26.3% for the same period in 2022 despite the gross profit growth during the same period. The decrease in gross profit margin during this period was mainly because the sales of 5G telecommunication equipment that contributed to 89.3% of all gross profit for the five months ended May 31, 2022 had a lower gross profit margin than the 5G IoT solution that contributed to all gross profit for the same period in 2021. For details, see “Financial Information — Description of Key Statement of Profit or Loss Items — Gross Profit and Gross Profit Margin.”

As the PRC private 5G network market is still at an early stage of development, it is common that the cost of products that adopt 5G technologies is higher than that of products adopt mature technologies. However, along with the iteration and development of 5G technologies and 5G products, the cost of 5G products is expected to reduce gradually. In addition, the market size of the PRC private 5G network market is expected to increase significantly in the next few years, and the market demand of our existing and potential customers will also increase under such circumstances. Furthermore, we, as an early mover in the PRC private 5G network market, had accumulated certain successful experiences and gained certain R&D achievement in the PRC private 5G network market during the Track Record Period. As such, we continued to increase the portion of 5G business during the Track Record Period, even though the gross profit margin of 5G business was temporarily lower than that of non-5G business. Considering the huge growth potential of the PRC private 5G network market and the expected cost optimization of 5G products as a result of technology development, we strive to focus on our 5G business in the near future.

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Geographically, we derived our revenue from the PRC, Russia and the United States. Our business in the PRC covers the provision of IoT solutions, sales of telecommunication equipment and other services, while we only export vehicle-mounted antenna and IoT antenna to Russia and the United States, respectively during the Track Record Period. The following table sets out the geographical breakdown of our revenue for the periods indicated:

	Year ended December 31,						Five months ended May 31,			
	2019		2020		2021		2021		2022	
	Revenue	% of total revenue	Revenue	% of total revenue	Revenue	% of total revenue	Revenue	% of total revenue	Revenue	% of total revenue
	<i>(RMB'000, except percentages)</i>						<i>(Unaudited)</i>			
The PRC	60,435	74.8%	103,818	81.5%	149,725	79.0%	32,761	61.7%	76,357	92.1%
Russia	13,220	16.3%	13,178	10.3%	24,312	12.8%	10,669	20.1%	2,497	3.0%
The United States	7,230	8.9%	10,429	8.2%	15,515	8.2%	9,665	18.2%	4,093	4.9%
Total	80,885	100.0%	127,425	100.0%	189,552	100.0%	53,095	100.0%	82,947	100.0%

OUR CUSTOMERS AND SUPPLIERS

Our Customers

Our main customers include (i) state-owned or private project owners, (ii) main contractors of IoT solution project who sub-contract a pre-defined section of the project to us, and (iii) overseas end customer and distributor. We had a total of 25, 24, 23 and 11 customers in 2019, 2020 and 2021 and the five months ended May 31, 2022, respectively. In 2019, 2020 and 2021 and the five months ended May 31, 2022, revenue generated from our five largest customers in each year/period during the Track Record Period were RMB56.9 million, RMB104.5 million, RMB123.4 million and RMB75.9 million, accounting for 70.2%, 81.9%, 65.1% and 91.5% of our total revenue, respectively. To the best knowledge of our Directors, none of our Directors, their close associates or our Shareholders who hold more than 5% of our issued share capital had any interest in the five largest customers of our Group. For more details of our customers, see “Business — Customers — Our Customers.”

Our Suppliers

We have established long-term business relationships with our key suppliers for stable supply and timely delivery of high-quality raw materials, components and OEM hardware. Our suppliers primarily consist of (i) suppliers of hardware components, (ii) OEM manufacturers, and (iii) software developers. Our five largest suppliers in aggregate in each year/period during the Track Record Period accounted for 72.2%, 60.6%, 61.0% and 84.5% of our total purchases in 2019, 2020 and 2021 and the five months ended May 31, 2022, respectively. Our largest supplier in each year/period during the Track Record Period accounted for 21.8%, 22.0%, 22.5% and 51.9% of our total purchases in 2019, 2020 and 2021 and the five months ended May

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31, 2022, respectively. To the best knowledge of our Directors, none of our Directors, their close associates or our Shareholders who hold more than 5% of our issued share capital had any interest in the five largest suppliers of our Group. For more details of our suppliers, see “Business — Suppliers and Procurement — Supplier Management and Top Suppliers.”

OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the [REDACTED] and [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any Shares which may be issued upon exercise of any options which may be granted under the [REDACTED]), Howking Tech Holding will hold approximately [REDACTED]% of the issued share capital of our Company.

On the basis that (i) Ms. Wang and Ms. Jin hold their respective interest in our Company through a common investment holding company, i.e. Howking Tech Holding, which in turn will be entitled to exercise 30% or more of the voting power at the general meetings of our Company; (ii) Dr. Chen, our executive Director, chairman and chief executive officer of our Company, is the spouse of Ms. Wang; and (iii) each of Ms. Wang and Ms. Jin entered into the Concert Party Confirmation, Ms. Jin, Ms. Wang, Dr. Chen and Howking Tech Holding are regarded as a group of controlling shareholders of our Company within the meaning of the Listing Rules. For details of shareholdings information of our Company, see “History, Reorganization and Corporate Structure” and “Relationship with our Controlling Shareholders.”

[REDACTED] INVESTMENTS

As of the Latest Practicable Date, we underwent two rounds of [REDACTED] Investments.

The investors under Series A investments are: (i) Ms. Ding Di and Zhangzhou Heze; (ii) Mr. Li Zhangpeng; (iii) Huixin Qianhai; (iv) Shenzhen Zhichen; (v) Ningbo Qipu; and (vi) Dongzheng Hande and Dongzheng Xiade (the “**Series A Investors**”). Pursuant to their respective equity transfer/investment agreements, the Series A Investors acquired equity interests in Nanjing Howking from Shanghai Juyi and/or subscribed for capital contribution in Nanjing Howking during September to December 2019, and became shareholders of Nanjing Howking before the Reorganization.

The investors under the Series B investments are: (i) Mr. Wu Chak Man; (ii) Shenzhen Brightmin; (iii) Mr. Huang Jianzhong; (iv) Ms. Wu Chin-Shan (the “**Series B Investors**”), who acquired the existing Shares from Howking Tech Holding pursuant to their respective share transfer agreements. In addition, Zibo Puhao (the “**Series B+ Investors**,” together with the Series B Investors, the “**Series B and Series B+ Investors**”) subscribed for new Shares issued by our Company pursuant to its investment agreement. Upon completion of the above investments, the Series B and Series B+ Investors became our Shareholders before completion of the [REDACTED] and the [REDACTED].

For details, see “History, Reorganization and Corporate Structure — [REDACTED] Investments.”

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SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountants’ Report set out in Appendix I to this Document.

Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the periods indicated:

	Year ended December 31,			Five months ended May 31,	
	2019	2020	2021	2021	2022
			(RMB'000)		
				(Unaudited)	
Revenue	80,885	127,425	189,552	53,095	82,947
Cost of sales	(44,487)	(76,044)	(110,753)	(35,807)	(53,973)
Gross profit	36,398	51,381	78,799	17,288	28,974
PROFIT BEFORE TAX	18,635	32,793	40,068	6,877	11,178
PROFIT FOR THE YEAR/PERIOD	17,351	28,553	34,380	6,317	10,527
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR/PERIOD	-	-	(486)	(385)	414
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	17,351	28,553	33,894	5,932	10,941

Notes:

- (1) We received government grants under other income and gains of RMB1.2 million, RMB3.5 million, RMB3.8 million and RMB0.4 million in 2019, 2020 and 2021 and the five months ended May 31, 2022, respectively.
- (2) Our administrative expenses increased significantly by 86.8% from RMB15.1 million in 2020 to RMB28.3 million in 2021, primarily due to (i) an increase in our R&D expenses as a result of the hiring of 12 additional R&D staff and the overall salary raise for our employees in 2021; and (ii) an increase in [REDACTED] of RMB[REDACTED]. Our net impairment losses on financial and contract assets increased by 138.0% from RMB4.8 million in 2020 to RMB11.5 million in 2021 primarily due to the enlarging amount and aging of trade receivables in line with our revenue growth from 2020 to 2021. For details, see “Financial Information — Year to Year comparison of Results of Operations.”

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Our net profit increased from RMB17.4 million in 2019 to RMB34.4 million in 2021 at a CAGR of 40.8%, and further increased by 66.6% from RMB6.3 million for the five months ended May 31, 2021 to RMB10.5 million for the same period in 2022. Such increase was in line with the increase in our revenue and gross profit for the same periods, reflecting the improvement of our profitability benefiting from the industry experiences obtained, market recognition built and scale of business achieved during the Track Record Period.

Non-HKFRS Measure

To supplement our consolidated financial statements which are presented in accordance with HKFRS, we also present the adjusted net profit as a non-HKFRS measure, which is not required by, or presented in accordance with, HKFRS. We believe that this non-HKFRS measure facilitates comparison of operating performance from period to period by eliminating impacts of [REDACTED], which are relating to the [REDACTED]. For details, see “Financial Information — Description of Key Statement of Profit or Loss Items — Non-HKFRS Measure.”

We believe that this non-HKFRS measure provides useful information to investors and others in understanding and evaluating our results of operations in the same manner as our management and in comparing financial results across the Track Record Period. The use of this non-HKFRS measure has limitations as an analytical tool. As such, they should not be considered in isolation from, or as substitute for analysis of, our consolidated statements of profit or loss or financial condition as reported under HKFRS. In addition, the non-HKFRS financial measures may be defined differently from similar terms used by other companies and therefore, may not be comparable to similar measures presented by other companies.

We define adjusted net profit (non-HKFRS measure) as net profit adding back [REDACTED]. The table below sets out the adjusted net profit (non-HKFRS measure) in each respective period during the Track Record Period:

	Year ended December 31,			Five months ended May 31,	
	2019	2020	2021	2021	2022
	(RMB'000)			(Unaudited)	
Profit for the year/period	17,351	28,553	34,380	6,317	10,527
Add: [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net profit for the year/period (non-HKFRS measure)	<u>17,351</u>	<u>29,402</u>	<u>41,755</u>	<u>6,635</u>	<u>17,617</u>

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Summary of Consolidated Statements of Financial Position

	As of December 31,			As of May 31,
	2019	2020	2021	2022
	<i>(RMB'000)</i>			
Current assets	108,378	155,938	339,345	218,162
Current liabilities	(38,055)	(45,506)	(197,880)	(65,849)
Net current assets	70,323	110,432	141,465	152,313
Non-current assets	11,587	8,897	13,352	12,796
Non-current liabilities	(668)	(34)	(1,783)	(1,134)
Net assets	81,242	119,295	153,034	163,975

Our net current assets increased from RMB70.3 million as of December 31, 2019 to RMB110.4 million as of December 31, 2020, primarily attributable to an increase in trade and notes receivables of RMB49.1 million in line with our revenue growth. Our net current assets further increased to RMB141.5 million as of December 31, 2021, primarily attributable to (i) an increase in prepayments, deposits and other receivables of RMB101.5 million mainly caused by the receivables from shareholders who had not fully performed their capital injection obligations to our Company, (ii) an increase in cash and cash equivalents of RMB57.5 million mainly as a result of a loan from a director for the reorganization purpose, and (iii) an increase in trade receivables of RMB19.8 million in line with our business expansion, which was partially offset by the elimination of financial assets at fair value through profit or loss as all our wealth management products had been fully redeemed as of December 31, 2021. Our net current assets further increased to RMB152.3 million as of May 31, 2022, primarily attributable to (i) a decrease in other payables and accruals of RMB140.9 million as we settled the payables arising from the Reorganization and the amount due to a director, and (ii) an increase in trade and notes receivables of RMB26.8 million, which was partially offset by (i) a decrease in prepayments, other receivables and other assets of RMB94.7 million mainly because we settled receivables due from shareholders in January 2022, and (ii) a decrease in cash and cash equivalent of RMB59.4 million mainly as a result of loan repayment to a director of RMB40.9 million. For details, see “Financial Information — Certain Balance Sheet Items.”

Our net assets increased from RMB81.2 million as of December 31, 2019 to RMB119.3 million as of December 31, 2020 primarily attributable to total comprehensive income for the year of RMB28.6 million and capital injection from shareholders of RMB9.5 million. Our net assets increased to RMB153.0 million as of December 31, 2021 primarily attributable to profit for the year of RMB34.4 million, total comprehensive income for the year of RMB33.9 million and issue of shares of RMB117.4 million, which was partially offset by capital reduction of RMB108.4 million. Our net assets further increased to RMB164.0 million as of May 31, 2022 primarily attributable to profit for the period of RMB10.5 million and total comprehensive

SUMMARY

income for the period of RMB10.9 million. For details, see “Consolidated Statements of Changes in Equity” in the Accountants’ Report in Appendix I to this Document.

Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our cash flows during the Track Record Period:

	Year ended December 31,			Five months ended May 31,	
	2019	2020	2021	2021	2022
			<i>(RMB'000)</i>		
				<i>(Unaudited)</i>	
Net cash flows (used in)/from operating activities	(3,746)	(13,938)	16,940	(287)	(4,844)
Net cash flows (used in)/from investing activities	(11,474)	24,550	(1,407)	(16,196)	(4,248)
Net cash flows from/(used in) financing activities	13,037	12,105	42,463	(92)	(50,677)
Net (decrease)/increase in cash and cash equivalents	<u>(2,183)</u>	<u>22,717</u>	<u>57,996</u>	<u>(16,575)</u>	<u>(59,769)</u>
Cash and cash equivalents at the beginning of the year/period	9,581	7,458	28,807	28,807	86,337
Effect of foreign exchange rate changes, net	60	(1,368)	(466)	(162)	347
Cash and cash equivalents at the end of the year/period	<u>7,458</u>	<u>28,807</u>	<u>86,337</u>	<u>12,070</u>	<u>26,915</u>

Our net cash used in operating activities was RMB4.8 million for the five months ended May 31, 2022. This net cash outflow was primarily due to an increase in trade and notes receivables of RMB27.3 million, which was partially offset by (i) profit before tax of RMB11.2 million, (ii) an increase in trade payables of RMB9.6 million mainly due to the purchase of the private 5G network system equipment, and (iii) an increase in other payables and accruals of RMB5.5 million. Our net cash used in operating activities was RMB14.0 million for the year ended December 31, 2020. This net cash outflow was primarily due to an increase in trade receivables of RMB53.1 million as a result of the commencement of 5G network project constructions, mainly for entities associated with state-owned enterprises, which was partially offset by profit before tax of RMB32.8 million. Our cash used in operating activities was RMB3.7 million for the year ended December 31, 2019. This net cash outflow was primarily

SUMMARY

due to an increase in trade receivables of RMB43.6 million as a result of the commencement of more projects in 2019, which was partially offset by (i) profit before tax of RMB18.6 million, and (ii) an increase in trade payables of RMB12.7 million primarily attributable to (a) the outsourcing fees due to a recruiting company of RMB6.3 million, and (b) project fees due to a project contractor based in Guizhou of over RMB5.0 million as a result of our rapid business expansion. For details, see “Financial Information — Liquidity and Capital Resources — Cash Flows.”

Taking into account the financial resources available to us, including cash flow from our business operations, bank borrowings and the estimated [REDACTED] from the [REDACTED], our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this Document.

Key Financial Ratios

The following table sets forth certain of our key financial ratios as of the dates or for the periods indicated:

	As of/For the year ended December 31,			As of/For the five months ended May 31,
	2019	2020	2021	2022
Profitability ratios				
Gross profit margin ⁽¹⁾	45.0%	40.3%	41.6%	34.9%
Net profit margin ⁽¹⁾	21.5%	22.4%	18.1%	12.7%
Return on equity ⁽¹⁾	34.1%	28.5%	25.2%	N/A
Return on assets ⁽¹⁾	18.0%	20.1%	13.3%	N/A
Liquidity ratios				
Current ratio ⁽¹⁾	2.8	3.4	1.7	3.3
Quick ratio ⁽¹⁾	2.8	3.4	1.7	3.3
Capital adequacy ratio				
Gearing ratio ⁽¹⁾	5.5%	6.5%	4.1%	4.7%

Note:

- (1) See “Financial Information — Key Financial Ratios” for the methodology for the calculation of these ratios, as well as the reasons for material fluctuations of these ratios.

SUMMARY

[REDACTED]

Our [REDACTED] mainly include [REDACTED], professional fees paid to legal advisors and the Reporting Accountants for their services rendered in relation to the [REDACTED] and the [REDACTED]. The estimated total [REDACTED] (based on the mid-point of our indicative price range for the [REDACTED] and assuming that the [REDACTED] is not exercised, excluding any discretionary incentive fee which may be payable by us) for the [REDACTED] are approximately RMB[REDACTED], which include (i) [REDACTED]-related expenses (including but not limited to [REDACTED] and fees) of approximately RMB[REDACTED], (ii) professional fees and expenses of legal advisors and reporting accountants of approximately RMB[REDACTED], and (iii) other fees and expenses, including fees to the Sole Sponsor, financial printer and other professional parties, of approximately RMB[REDACTED]. The estimated total [REDACTED] are estimated to represent [REDACTED]% of the gross [REDACTED] from the [REDACTED]. During the Track Record Period, we incurred [REDACTED] of RMB[REDACTED], of which RMB[REDACTED] was charged to the consolidated statements of profit or loss as administrative expenses and RMB[REDACTED] (deferred [REDACTED] in the consolidated statements of financial position as of May 31, 2022) will be deducted from equity upon the [REDACTED]. We expect to incur additional [REDACTED] of approximately RMB[REDACTED], of which approximately RMB[REDACTED] is expected to be recognized as administrative expenses and approximately RMB[REDACTED] is expected to be recognized as a deduction in equity directly upon the [REDACTED]. Our Directors do not expect that such expenses will have a material adverse effect on our results of operations for the year ending December 31, 2022.

DIVIDENDS

As advised by our Cayman Islands Legal Advisors, under the Cayman Companies Act and the Memorandum and Articles, we may declare and pay a dividend out of either profits or share premium account, provided always that under no circumstances may a dividend be declared or paid if such payment would result in our Company being unable to pay its debts when they fall due in the ordinary course of business. The payment and amount of any future dividend will also depend on the availability of dividends received from our subsidiaries.

PRC laws require that dividends be paid only out of the profit for the year calculated according to PRC accounting principles. Any dividends we pay will be determined at the absolute discretion of our Board, taking into account factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that our Board deems to be appropriate. Our Shareholders may approve, in a general meeting, any declaration of dividends, which must not exceed the amount recommended by our Board.

No dividends had been paid or declared by our Company since its incorporation, or any subsidiaries of our Group during the Track Record Period. Currently, we do not have a formal dividend policy or a fixed dividend distribution ratio.

SUMMARY

[REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] after deducting the [REDACTED] and expenses payable by us in the [REDACTED], assuming the [REDACTED] is not exercised and an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] per Share to HK\$[REDACTED] per share in this Document.

We intend to use the [REDACTED] we receive from the [REDACTED] as follows:

<u>% of</u> <u>[REDACTED]</u>	<u>Future Plans</u>	<u>Approximately</u> <u>HK\$ in Millions</u>
[REDACTED]%	Improving our private 5G network solutions	[REDACTED]
[REDACTED]%	Research and development of industrial WLAN	[REDACTED]
[REDACTED]%	Developing a common digitalization foundation to further upgrade our Universal IoT Platform	[REDACTED]
[REDACTED]%	R&D infrastructure upgrades	[REDACTED]
[REDACTED]%	Strengthening business development capabilities	[REDACTED]
[REDACTED]%	Additional working capital and other general corporate purpose	[REDACTED]

See the section headed “Future Plans and [REDACTED]” for more details.

REGULATORY COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, (i) we had not been involved in any actual or pending legal, arbitration or administrative proceedings, nor (ii) had we experienced any material or systemic non-compliance incidents, which we believe, taken as a whole, would likely to have a material adverse effect on our business or financial position. See “Business — Legal Proceedings and Compliance.”

RISK FACTORS

There are certain risks involved in our operations or relating to an investment in our [REDACTED], many of which are beyond our control. For details, please see the section headed “Risk Factors.” As different investors may have different interpretations and criteria when determining the significance of a risk, you should read the “Risk Factors” section in its entirety before you decide to invest in our [REDACTED]. Some of the major risks that we face include:

- We operate in a rapidly evolving industry. If we fail to continuously innovate our technology and provide useful solutions and products that meet the expectation of our customers, we may fail to retain existing customers and attract new customers in sufficient numbers, and our business, results of operations and prospects may be materially and adversely affected.

SUMMARY

- If the market for our solutions fails to grow as we expect, or if our customers or potential customers fail to adopt our solutions, our business, operating results, and financial condition could be adversely affected.
- If we are unable to ensure compatibility of our solutions with a variety of terminals, telecommunication devices and infrastructures developed by others, including our partners, we may become less competitive, and our results of operation may be harmed.
- We may not be able to sustain our historical growth rates, and our historical growth may not be indicative of our future growth or financial results. Any significant default on our receivables or any impairment charges incurred could materially and adversely affect our liquidity, financial condition and results of operations.
- We may be unable to obtain new contracts from our main contractor customers, or to claim payment from them successfully.
- We derive a significant portion of our revenue from our top five customers, and any decrease or loss of business with them could adversely affect our business.
- We could be adversely and materially affected as a result of business activities with certain entities or in countries or territories that are, or become subject to, sanctions administered by the United States, the European Union, the United Kingdoms, the United Nations, Australia and other relevant sanctions authorities.
- We rely on proper operation and maintenance of Internet infrastructure and telecommunications networks in the PRC. Any malfunction, capacity constraint or operation interruption may have an adverse impact on our business.
- Our success depends on the continuing efforts of our senior management and key personnel, as well as a competent pool of talents who support our existing operations and future growth. If our senior management is unable to work together effectively or efficiently or if we fail to recruit, retain, train and motivate such personnel, our business may be severely disrupted, and our financial condition and results of operations may be materially and adversely affected.
- We involve third parties in our operations to supply certain components of our products and manufacture, assemble, test, package and deliver certain of our products. Such arrangements may reduce our control over supply sufficiency, product quantity and quality, development, enhancement and product delivery schedule and could harm our business.

SUMMARY

IMPACT OF THE COVID-19 PANDEMIC

In December 2019, a respiratory illness known as COVID-19 caused by a novel strain of coronavirus emerged and has spread globally since then, which has adversely affected the global economy. In order to contain the COVID-19 pandemic, the PRC Government has implemented a series of measures, including travel restrictions, quarantines and business shutdowns. Our Directors have carried out a holistic review of the impact of the COVID-19 pandemic on our operations and confirmed that as of May 31, 2022, COVID-19 pandemic did not bring material adverse impact on our operations and finance performance based on the following grounds.

- ***Impact on our business operations.*** The COVID-19 pandemic resulted in temporary closures of many corporate offices, manufacturing facilities and factories across the PRC. In particular, the PRC has recently experienced upticks in cases that have prompted selective restrictions in affected regions. Certain travel restrictions, lock-down measures and other limitations were imposed in various places in response to these new cases. For example, we temporarily closed our Shenzhen offices and suspended our assembly and testing center in Shenzhen for a period of (i) one month in February 2020 due to the outbreak of COVID-19; and (ii) seven days in March 2022 due to the outbreak of Omicron variant in Shenzhen. We temporarily closed our Nanjing office for a period of (i) 24 days in January and February 2020 due to the outbreak of COVID-19; and (ii) 20 days in August 2021 due to the outbreak of Delta variant in Nanjing. Even though we had fully resumed our offices and assembly and testing activities immediately after lifting the lockdown, we have also experienced certain negative impact of COVID-19 pandemic on our business operations, primarily including (i) the delay for delivery our antenna products during the lockdown period, which the aggregate order value amounted to USD0.1 million; and (ii) reduced offline communication with customers amid the temporary government-mandated travel restrictions or bans to contain the spread of the COVID-19. Save as disclosed above, we did not (i) experience any material delay or failure by our suppliers to deliver our orders, or (ii) fail to provide solutions/services or deliver products to our customers during such period.
- ***Impact on our financial performance.*** As we had not experienced any material delay or suspension of our projects, nor experienced any material difficulties in settlements with our customers due to the impact of COVID-19 pandemic, our financial performance has not been materially and adversely affected by the outbreak of COVID-19. We have been granted deduction in the contribution of social insurance premiums for our employees of approximately RMB0.3 million in 2020, according to relevant government relief policies during the COVID-19 pandemic. During the Track Record Period, we had incurred the cost for hygiene and precaution measures of RMB30,000.

SUMMARY

In line with the PRC Government’s measures and requirements to contain the pandemic, and to protect our employees from infection, we have taken various precautionary measures in response to the COVID-19 outbreak, such as (i) setting up temperature reporting procedures for our employees; and (ii) requiring our employees to wear face masks during the working time.

Despite the impact of the COVID-19 pandemic, we achieved continuous growth in revenue during the Track Record Period. Our senior management has played an important role in implementing our strategies to mitigate the impact of the pandemic, such as leading our R&D to make technological advancements, exploring new and potential customers, maintaining multiple supplies for our raw materials and components. As of the Latest Practicable Date, we had not received any cancellation of projects or transactions by customers due to the COVID-19 outbreaks. We believe that the COVID-19 pandemic will not (i) significantly disrupt the operation of our major suppliers, or (ii) have a significant on-going impact on our ability to provide solutions/services or deliver products as agreed with our customers.

It is uncertain when and whether COVID-19 could be contained globally. There is no assurance that the COVID-19 pandemic will not escalate significantly or continue to have a material adverse effect on our financial condition, results of operations or prospects. See “Risk Factors — Risks Relating to Our Business and Industry — The COVID-19 pandemic has adversely affected, and may continue to adversely affect our business, operating results and financial condition.”

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period and up to the Latest Practicable Date, we had obtained 36 newly awarded contracts, among which 29 for IoT solution projects, six for sales of telecommunication equipment, and one for other services. The following table sets forth the details of our newly awarded contracts subsequent to the Track Record Period and up to the Latest Practicable Date:

Project/Transaction	Technologies adopted (5G/Non-5G)	Contract date	Status as of the Latest Practicable Date	Contract	Revenue
				value	recognized up to the Latest Practicable Date ⁽¹⁾
				RMB'000	RMB'000 (Unaudited)
Underground municipal facilities data management platform project	Non-5G	June 1, 2022	Completed	5,185	4,892
Territorial space basic information platform and data governance project	Non-5G	June 1, 2022	Completed	3,950	3,726
Intelligent sanitation supervision system technology development service project	Non-5G	June 1, 2022	Completed	5,120	4,830
Village grassroots digital supervision cloud platform project	Non-5G	June 2, 2022	Completed	4,530	4,274

SUMMARY

Project/Transaction	Technologies adopted (5G/Non-5G)	Contract date	Status as of the Latest Practicable Date	Contract value	Revenue recognized up to the Latest Practicable Date ⁽¹⁾
				RMB'000	RMB'000 (Unaudited)
Banking smart marketing big data analysis and 5G customer service technology development service project	5G	June 2, 2022	Completed	4,200	3,962
Video structured big data platform development project	Non-5G	June 7, 2022	Completed	2,520	2,377
Video stream image recognition application modeling system development project	Non-5G	June 7, 2022	Completed	2,460	2,321
Big data analysis system development project for smart city comprehensive governance	Non-5G	June 7, 2022	Completed	2,680	2,528
Full-stack intelligent operation and maintenance monitoring platform development project	Non-5G	June 15, 2022	Completed	5,324	5,023
Intelligent industry management platform development service projects	Non-5G	June 15, 2022	Completed	3,860	3,642
Smart city convenient service management system development project	Non-5G	June 15, 2022	Completed	4,350	4,104
Comprehensive enforcement digital management system development project	Non-5G	June 15, 2022	Completed	5,600	5,283
Shaanxi 12345 citizen Service hotline project	Non-5G	June 24, 2022	Completed	1,844	1,740
Software test project of the intelligent networking system	Non-5G	June 28, 2022	Completed	140	132
Smart community security monitoring platform construction project	Non-5G	June 28, 2022	Completed	1,222	1,103
Mobile dispatch command system construction project	5G	July 22, 2022	Completed	224	198
Sales of IoT and Beidou positioning terminal modules	Non-5G	July 22, 2022	Completed	2,180	1,929
Map simulation data center development project	Non-5G	August 2, 2022	In-progress	6,810	–
Development project of 3D map simulation and drill system (Phase I)	Non-5G	August 2, 2022	In-progress	5,760	–
Sales of IoT and Beidou positioning terminal modules	Non-5G	August 5, 2022	Completed	1,962	1,736
Application service platform project	Non-5G	August 10, 2022	Completed	200	177
Big data real-time decision center platform project	Non-5G	August 10, 2022	Completed	322	285

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Project/Transaction	Technologies adopted (5G/Non-5G)	Contract date	Status as of the Latest Practicable Date	Contract value	Revenue recognized up to the Latest Practicable Date ⁽¹⁾
				RMB'000	RMB'000 (Unaudited)
Sales of IoT and Beidou positioning terminal modules	Non-5G	August 12, 2022	Completed	3,052	2,701
Sales of 5G pRRU and accessories	5G	August 18, 2022	Completed	8,075	7,146
Development project of 3D map simulation and drill system (Phase II)	Non-5G	August 25, 2022	In-progress	4,920	-
Sales of corollary equipment for smart medical GY6000A project	5G	August 26, 2022	Completed	32,723	28,958
Medical financial management system development project	Non-5G	September 2, 2022	In-progress	4,470	-
Big data integrated management platform technical services	Non-5G	September 8, 2022	Completed	6,400	6,038
Industrial IoT platform technical services based on 5G applications	5G	September 8, 2022	Completed	8,300	7,830
Comprehensive emergency command platform technical services based on 5G applications	5G	September 8, 2022	Completed	8,500	8,019
Industrial digital cloud platform technical services based on the IoT	Non-5G	September 8, 2022	Completed	8,600	8,113
Smart community security monitoring platform construction project (Phase II)	Non-5G	September 13, 2022	In-progress	882	-
Sales of monitoring equipment	Non-5G	September 13, 2022	In-progress	630	-
Device operation awareness platform development project	Non-5G	October 12, 2022	In-progress	4,379	-
Cultural travel customization platform development project	Non-5G	October 12, 2022	In-progress	3,520	-
Sales of high-speed wireless gateway	Non-5G	October 14, 2022	In-progress	31	-
Total				164,924	123,067

Note:

- (1) The difference between the contract value and the revenue recognized for a particular project mainly caused by the value-added tax that had been paid.

SUMMARY

In addition, a series of conflicts have escalated between Russia and Ukraine since February 2022, which had led to sanctions from a number of countries towards Russia targeting businesses, monetary exchanges, bank transfers, and imports and exports (the “**Russia-Ukraine Crisis**”). Adversely affected by the Russia-Ukraine Crisis, revenue generated from our Russian distributor decrease significantly by 76.6% for the five months ended May 31, 2022 as compared to the same period in 2021. Although the Russia-Ukraine Crisis has been adversely affecting Russian’s vehicle mounted antenna market since February 2022, and therefore, revenue generated from our export of vehicle mounted antenna business have decreased significantly since then and is expected to further decrease in the foreseeable future, nevertheless, considering that (i) export of vehicle mounted antenna was not our major business line, the gross profit contribution of which was about 8.7% during the Track Record Period; and (ii) we dedicate to continuing focusing on IoT solution business, which is expected to have strong market growth rate according to Frost & Sullivan, we do not expect the Russia-Ukraine Crisis will result in material adverse impact on our overall business operations in a long term.

We estimate our net profit margin will decrease for the year ending December 31, 2022, primarily due to the [REDACTED] to be recognized in 2022.

Our Directors confirm that save as disclosed above, (i) there had been no material adverse change in our business, the industry in which we operate, or market or regulatory environment to which we are subject, (ii) there had been no material adverse change in our financial or trading position or prospects, since May 31, 2022, being the end date of our latest audited financial statements, and up to the Latest Practicable Date, and (iii) there has been no event since May 31, 2022 and up to the date of this Document that would materially affect the information shown in the Accountants’ Report set forth in Appendix I to this Document.

[REDACTED] STATISTICS

	Based on an [REDACTED] of HK\$[REDACTED] per Share	Based on an [REDACTED] of HK\$[REDACTED] per Share
Market capitalization of our Share ⁽¹⁾	HK\$[REDACTED]	HK\$[REDACTED]
Unaudited pro forma adjusted net tangible asset value per Share ⁽²⁾	HK\$[REDACTED] (RMB[REDACTED])	HK\$[REDACTED] (RMB[REDACTED])

Notes:

- (1) The calculation of the market capitalization is based on [REDACTED] Shares expected to be in issue immediately following the completion of the [REDACTED] and the [REDACTED] and assuming that the [REDACTED] is not exercised.
- (2) The unaudited pro forma adjusted net tangible asset value per Share is calculated after marking the adjustments referred to in “Financial Information — Unaudited Pro Forma Adjusted Net Tangible Assets” and on the basis of [REDACTED] Shares expected to be in issue and outstanding immediately following the completion of [REDACTED] and the [REDACTED] and assuming that the [REDACTED] is not exercised.