
FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See the section headed “Business—Our Growth Strategies” for a detailed description of our future plans.

USE OF [REDACTED]

The table below sets forth the estimated net [REDACTED] of the [REDACTED] which we will receive after deduction of [REDACTED] fees and [REDACTED] and estimated expenses payable by us in connection with the [REDACTED] (assuming the [REDACTED] is not exercised):

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the low end of the [REDACTED] stated in this Document)	HK\$[REDACTED]
Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] stated in this Document)	HK\$[REDACTED]
Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the high end of the [REDACTED] stated in this Document)	HK\$[REDACTED]

We intend to use the net [REDACTED] we will receive from the [REDACTED] for the following purposes, assuming an [REDACTED] of HK\$[REDACTED] per Share.

Implementing many of the initiatives described below requires us to continue to invest in labor costs. As indicated in the tables below, we expect to incur increasing labor costs between the fiscal year ended March 31, 2024 and the fiscal year ended March 31, 2028, primarily due to our growing headcounts as our business continues to scale. As we expand our product and technology development initiatives, the number of our R&D personnel, mostly software developers and product managers, tends to increase generally proportionally. We are also expected to recruit more sales and marketing and customer success and service personnel to support the expected growth in our customer base. In the meantime, we expect to invest substantially in offering competitive compensation, benefits and incentives to attract and retain talents in the foreseeable future. Such investments are expected to generally increase between the fiscal year ended March 31, 2024 and the fiscal year ended March 31, 2028, mainly attributable to the increasing labor cost and intensifying competition for highly qualified talents within China’s HCM digitalization market, according to CIC. Despite the increasing competition for qualified employees, China’s HCM digitalization market or cloud-based HCM solutions is expected to have a sufficient supply of research and development talents and sales and marketing talents. According to CIC and the Ministry of Industry and Information Technology of the PRC, there are over eight million employees in China’s software industry in 2021, most of which are research and development talents and sales and marketing talents. We expect to benefit from greater economies of scale and synergies over time in the long run alongside our business growth. See “Business—Business Sustainability.”

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The following table sets forth our experience and qualification requirements for different types of employees to be hired:

Positions	Experience/Qualification Expectations
Product manager	<ul style="list-style-type: none"> Over five years of project management experience, and familiar with enterprises software, cloud computing, SaaS and other related fields, and having extensive experience in enterprise products is preferred; Prefer candidates with e-HR and talent management backgrounds.
Software engineer	<ul style="list-style-type: none"> Over five years of front-end R&D experience, and over two years of front-end architecture R&D experience; Prefer candidates with working experience with front-end architecture platforms and top-tier Internet companies.
Testing manager	<ul style="list-style-type: none"> Bachelor or above degree in computer science or related majors; Over five years of testing experience covering web, mobile apps and other multi-terminal use cases and over two years of team management experience; Prefer candidates with testing experience with HCM software, online education software, PaaS platform and SaaS products.
Sales manager	<ul style="list-style-type: none"> Bachelor or above degree; Prefer candidates with prior work experience as sales representatives in the SaaS and the broader software industries or business connections in our target industries.
Customer success manager	<ul style="list-style-type: none"> Bachelor or above degree; Prefer candidates with prior work experience as sale representatives in the SaaS and the broader software industries or business connections in our target industries.
Delivery manager	<ul style="list-style-type: none"> Bachelor or above degree in computer science, human resources or related majors; Over five years of HCM software project implementation experience; Prefer candidates familiar with HR business and management process of large enterprises or group companies, familiar with management in recruitment, attendance and payroll.

The following future plans, including the anticipated investments in labor costs, will be funded using not only the net [REDACTED] of the [REDACTED] but also the cash generated from our operating and other financing activities. In addition, the expected increases in the number of employees between the fiscal year ended March 31, 2024 and the fiscal year ended March 31, 2028 as set out in the tables below represent our current estimates and the actual number and timing of new hires may differ from our estimates due to various factors that include, but are not limited to, those discussed under “Risk Factors.”

- (1) *Further upgrade our integrated cloud-based HCM solutions.* Approximately [REDACTED]% or approximately HK\$[REDACTED] will be allocated over the next five years to further upgrade our integrated cloud-based HCM solutions. More specifically:
 - (i). *Integrate more seamlessly our cloud-based HCM solutions.* Approximately [REDACTED]% or approximately HK\$[REDACTED] will be used to make our suite of cloud-based HCM solutions more seamlessly integrated. We will be focusing on the following three main areas of integration:
 - *Use case integration.* We intend to further integrate the use cases covered by our cloud-based HCM solutions. We will focus on integrating solutions designed for employees and

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HR managers, and the solutions for other different roles within organizations. We intend to leverage data-enabled business intelligence and AI technologies to facilitate integration and information sharing across our different solutions.

- *Talent data & profile integration.* We will focus on enhancing our solutions so that our customers can better and more efficiently integrate, synthesize and analyze data collected from various stages of the employee lifecycle to generate actionable HCM insights. We intend to leverage such data and our extensive expertise in people science to help customers create their own digital “talent profiles.” These “talent profiles” will integrate information about the skills, qualifications, accomplishments, and career preferences of their workforces to enable organizations to more effectively identify, select, assess and develop talents. We also intend to expand our relationships with selected key-account customers and work closely with them for the trial and testing of digital talent profiles.
- *User interface (UI) integration.* We will offer a more unified interface and visualization system across our full suite of solutions. The unified interface will include single sign-on, consistent navigation structures and unified menus to access data and processes.

To facilitate our integration endeavors, we intend to expand our dedicated team of product managers, software managers and testing managers. Substantially all of the [REDACTED] allocated for the forgoing initiatives will consist of labor costs. We intend to hire a total of 64 new product managers, software managers and testing managers whose compensation will be funded by the [REDACTED] of the [REDACTED] in the next five years. The following tables set forth details of our recruitment plans and allocation of labor costs:

Allocation of the Estimated Use of [REDACTED]	Areas	Estimated No. of Staff to be Hired
Approximately [REDACTED]% or HK\$[REDACTED]	Use case integration	FY2024: 3
		FY2025: 4
		FY2026: 6
		FY2027: 6
		FY2028: 6
		Total: 25
Approximately [REDACTED]% or HK\$[REDACTED]	Talent data & profile integration	FY2024: 4
		FY2025: 4
		FY2026: 6
		FY2027: 6
		FY2028: 6
		Total: 26
Approximately [REDACTED]% or HK\$[REDACTED]	User interface (UI) integration	FY2024: 2
		FY2025: 2
		FY2026: 3
		FY2027: 3
		FY2028: 3
		Total: 13

	FY2024	FY2025	FY2026	FY2027	FY2028	Total
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(HK\$ in millions)

Labor costs ... [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

Positions	Estimated Average Salary per annum (HK\$ in million)	FY2024	FY2025	FY2026	FY2027	FY2028
Product manager	[REDACTED]	2	2	3	3	3
Software engineer	[REDACTED]	5	7	8	9	9
Testing manager	[REDACTED]	2	2	3	3	3
Total		<u>9</u>	<u>11</u>	<u>14</u>	<u>15</u>	<u>15</u>

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(ii). *Enhance the functionality and features of our Core HCM Solutions.* Approximately [REDACTED]% or approximately HK\$[REDACTED] will be invested to enhance the functionality and features of our Core HCM Solutions in order to better meet our customers’ needs and use cases. We will have a dedicated team of product managers, software managers and testing managers focusing on the following two main areas:

- Developing more industry-specific solutions, features and use cases in order to attract customers from a broader range of industries. For example, as we have come to realize that many manufacturing companies face challenges with scheduling shifts for a large number of employees, we have recently launched tailor-made functions to allow manufacturing customers to schedule shifts by employee group, batch and other predefined models, or on a revolving basis. We have recently added new features to Attendance Management Cloud on mobile devices, to enable managers and workers of our manufacturing customers, who typically do not own or have access to their personal computers while working, to conveniently manage their time and scheduling. We are in the process of developing additional industry-specific solutions and features.
- Upgrading our solutions to better address the needs of large-sized enterprises operating in multiple different industries that have less than 10,000 employees. These enterprises have extensive people management needs, often associated with their complex organization structures and large, geographically dispersed workforces. These needs have hardly been met by traditional HCM approaches, suggesting significant opportunities for our integrated cloud-based solutions. We believe that serving these enterprises will also facilitate our land-and-expand go-to-market strategy. Our current focus is to address the core HCM needs of large enterprises in the internet, manufacturing and chain retail industries.

Substantially all of the [REDACTED] allocated to enhance the functionality and features of our Core HCM Solutions will consist of labor costs. We intend to hire a total of 64 new product managers, software managers and testing managers whose compensation will be funded by the [REDACTED] of the [REDACTED] in the next five years. The following tables set forth details of our recruitment plans and allocation of labor costs:

Allocation of the Estimated Use of [REDACTED]	Areas	Estimated No. of Staff to be Hired
Approximately [REDACTED] % or HK\$[REDACTED]	Develop more industry-specific solutions, features and use cases	FY2024: 5
		FY2025: 6
		FY2026: 7
		FY2027: 8
		FY2028: 8
		Total: 34
Approximately [REDACTED] % or HK\$[REDACTED]	Upgrade solutions to better address the needs of large-sized enterprises	FY2024: 4
		FY2025: 5
		FY2026: 7
		FY2027: 7
		FY2028: 7
		Total: 30

	FY2024	FY2025	FY2026	FY2027	FY2028	Total
	<i>(HK\$ in millions)</i>					
Labor costs . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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<u>Positions</u>	<u>Estimated Average Salary per annum (HK\$ in million)</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>
Product manager	[REDACTED]	2	2	3	3	3
Software engineer	[REDACTED]	5	7	8	9	9
Testing manager	[REDACTED]	2	2	3	3	3
Total		<u>9</u>	<u>11</u>	<u>14</u>	<u>15</u>	<u>15</u>

(iii). *Upgrade our other HCM solutions.* Approximately [REDACTED]% or approximately HK\$[REDACTED] will be invested to upgrade our other HCM solutions. We will have a dedicated team of product managers, software managers and testing managers focusing on upgrading HCM solutions and developing technologies and IT services, such as data storage and analytics services, necessary to support feature development and enhancements. We intend to solidify our leadership position across a number of other HCM solutions, such as Recruitment Cloud and Assessment Cloud. We will continue to upgrade these solutions with additional features and functionality. For example, with respect to Recruitment Cloud, we will leverage data-enabled business intelligence and AI technologies to launch more digital tools to make the hiring process more efficient and transparent for both organizations and the prospective employees. These new tools will include an AI-powered resume analyzer that automatically screens and scores resumes based on criteria set by the recruiters and intelligent candidate matching and ranking to help organizations identify candidates that best match their job requirements. In addition, while E-learning Cloud currently serves mainly as a virtual learning tool for employees, we intend to integrate it more deeply with our other solutions, such as Succession Cloud and People Analytics Solutions, to give organizations a better picture of their workforce performances across the entire employee lifecycle. We will also invest in developing new solutions to cover more use cases across the employee lifecycle. For example, we intend to develop what we call “motivation solution,” an employee-centric tool designed to improve employee engagement, motivation and connections.

Substantially all of the [REDACTED] allocated upgrade our other HCM solutions will consist of labor costs. We intend to hire a total of 22 new product managers, software managers and testing managers whose compensation will be funded by the [REDACTED] of the [REDACTED] in the next five years. The following tables set forth details of our recruitment plans and allocation of labor costs:

	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>Total</u>
	<i>(HK\$ in millions)</i>					
Labor costs . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

<u>Positions</u>	<u>Estimated Average Salary per annum (HK\$ in million)</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>
Product manager	[REDACTED]	1	1	1	1	1
Software engineer	[REDACTED]	1	2	3	3	3
Testing manager	[REDACTED]	1	1	1	1	1
Total		<u>3</u>	<u>4</u>	<u>5</u>	<u>5</u>	<u>5</u>

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In connection with our plan to upgrade our integrated cloud-based HCM solutions, the following table sets forth key projects and their implementation timeline:

<u>Project</u>	<u>Description</u>	<u>Implementation Timeline</u>	<u>Estimated No. of Staff to be Hired</u>
Development and implementation of HCM solutions designed for manufacturing enterprises	These solutions will be purpose-built to address people management needs of large manufacturing enterprises, particularly associated with their complex organization structures and large, geographically dispersed workforces	By end of the fiscal year ended March 31, 2024	FY2024: 1 Total: 1
Development of “Real-time Survey”	“Real-time Survey” is a solution that helps enterprises more effectively conduct internal surveys and identify potential employee-relations issues and makes recommendations	By end of the fiscal year ended March 31, 2024	FY2024: 1 FY2025: 1 Total: 2
Development of “Skill Cloud”	Skill Cloud is a solution that utilizes AI technologies to help enterprises develop a systematic review of the skillsets needed for particular positions	By end of the fiscal year ended March 31, 2024	FY2025: 1 Total: 1
Development of gamified assessment tools	These tools are designed to help enterprises more effectively engage employees and conduct assessments through the usage of interactive gaming elements	By end of the fiscal year ended March 31, 2024	FY2025: 1 Total: 1
Development and implementation of HCM solutions designed retail enterprises	These solutions will be purpose-built to address HCM needs of retail companies, such as those relating to their relatively more flexibility schedules and diverse payroll patterns	By end of the fiscal year ended March 31, 2024	FY2025: 1 Total: 1
Development and implementation of “talent profiles”	“Talent profiles” are solutions designed to integrate information about the skills, qualifications, accomplishments, and career preferences of enterprises’ workforces to enable them to more effectively identify, select, assess and develop talents	By end of the fiscal year ended March 31, 2026	FY2024: 1 FY2026: 5 FY2027: 5 FY2028: 5 Total: 16

(2) *Continue to enhance our technology development capabilities.* Approximately [REDACTED]% or approximately HK\$[REDACTED] will be allocated over the next five years to continue to enhance our technology development capabilities. More specifically:

(i). *Upgrade our PaaS infrastructure.* Approximately [REDACTED]% or approximately HK\$[REDACTED] will be used to upgrade our PaaS infrastructure. We will have a dedicated team of product managers, software managers and testing managers focusing on upgrading our PaaS infrastructure and developing a wide suite of standardized development tools. Enhancing our PaaS infrastructure is also a critical

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part of our efforts to further upgrade our integrated cloud-based HCM solutions. We have designed “PaaS” to be a single, unified “infrastructure” underlying our iTalentX platform, synchronizing our solutions for a wide variety of use cases. Having a unified infrastructure allows us to share workforce data seamlessly across our solutions for different use cases, generating valuable insights across the entire employment lifecycle that are otherwise hard to obtained through traditional, isolated on-premise software. According to CIC, we are the only service provider in China that offers cloud-based HCM solutions based on a unified and open PaaS infrastructure.

- We will upgrade our PaaS infrastructure and make it available to more selected large-size customers so that they can develop tailor-made applications and functions for their own specific business scenarios. As part of the foregoing initiatives, we also intend to improve the operation and maintenance of our PaaS infrastructure for enhanced stability, efficiency and performances.
- We will also develop a wide suite of standardized development tools, such as SDKs and APIs, which are basic programs that can be easily deployed and combined to develop more sophisticated software. We and our customers, as well as selected independent software vendors, or ISVs, can use these development tools to more efficiently develop HCM solutions using our PaaS infrastructure. As more customers and ISVs use our PaaS infrastructure, they will develop more solutions, or development tools that can be made available for use for future applications. This in turn allows us to attract more developers using our PaaS infrastructure, generating a self-reinforcing flywheel effect that nurtures a vibrant developer community on our platform.
- We will also expand our application store to increase monetization potential of our PaaS infrastructure. We currently operate an online application store where our customers can find and access for free selected HCM software and applications developed by our in-house developers. Going forward, as more customers use our PaaS infrastructure to develop their own software, we intend to help them make such software available on our application store for access by the broader developer community. We believe these efforts will pay the way for us to monetize our PaaS infrastructure in the long run, although we do not have any imminent plans to charge fees or commissions to participants of our application store. As of the date of this document, we have not entered into any agreement, arrangement or understanding with any third party regarding the foregoing plans to upgrade our PaaS infrastructure and to expand our application store.

Substantially all of the [REDACTED] allocated to upgrade our PaaS infrastructure will consist of labor costs. We intend to hire a total of 85 new product managers, software managers and testing managers whose compensation will be funded by the [REDACTED] of the [REDACTED] in the next five years. The following tables set forth details of our recruitment plans and allocation of labor costs:

Allocation of the Estimated Use of [REDACTED]	Areas	Estimated No. of Staff to be Hired
Approximately [REDACTED]% or HK\$[REDACTED]	Upgrade PaaS infrastructure	FY2024: 5 FY2025: 6 FY2026: 8 FY2027: 8 FY2028: 8 Total: 35

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Allocation of the Estimated Use of [REDACTED]	Areas	Estimated No. of Staff to be Hired
Approximately [REDACTED]% or HK\$[REDACTED]	Develop standardized development tools	FY2024: 5
		FY2025: 6
		FY2026: 8
		FY2027: 8
		FY2028: 8
		Total: 35
Approximately [REDACTED]% or HK\$[REDACTED]	Expand application store	FY2024: 2
		FY2025: 2
		FY2026: 3
		FY2027: 4
		FY2028: 4
		Total: 15

	FY2024	FY2025	FY2026	FY2027	FY2028	Total
	<i>(HK\$ in millions)</i>					
Labor costs . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Positions	Estimated Average Salary per annum (HK\$ in million)	FY2024	FY2025	FY2026	FY2027	FY2028
Product manager	[REDACTED]	2	3	4	4	4
Software engineer	[REDACTED]	8	8	11	12	12
Testing manager	[REDACTED]	2	3	4	4	4
Total		<u>12</u>	<u>14</u>	<u>19</u>	<u>20</u>	<u>20</u>

- (ii). *Expand R&D teams with enhanced R&D efficiency.* Approximately [REDACTED]% or approximately HK\$[REDACTED] will be invested in technologies and system enhancements to expand our internal R&D teams and enhance our R&D efficiency. We will expand our dedicated team of product managers, software managers and testing managers specialized in data-enabled business intelligence and AI, and provide regular internal and external training to our R&D teams.

We intend to continue to increase our R&D efficiency and economies of scale through our PaaS infrastructure. Our R&D economies of scale is supported by our PaaS infrastructure that supports and integrates all of our cloud-based HCM solutions. This infrastructure has enabled us to develop new modules and applications more easily and cost-efficiently. The out-of-the-box functionality of the PaaS infrastructure eliminates the need to build core modules from scratch for each product enhancement or new customer or use case. Through the low code or no code development tools that the PaaS infrastructure offers, developers can simply drag and drop preconfigured modules and functionality with little to no coding required so as to quickly develop new applications, resulting in significantly reduced time required for software development. We also plan to increase our R&D efficiency by streamlining our existing integrated product development (IPD) model which is a well-designed R&D process that allows multi-disciplinary internal teams to efficiently collaborate and develop products based on customer needs and feedback. Through this model, we maintain a list of customers’ feature requests and prioritizes developing those most commonly shared by our customers; for one-off personalized feature requests, we offer customized product development services to customers to address their specific business needs and, in some cases, open the PaaS infrastructure

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to selected customers and business partners free of charge in order for their in-house IT specialists to customize product functions and features.

Substantially all of the [REDACTED] allocated to expand R&D teams and enhance our R&D efficiency will consist of labor costs. We intend to hire a total of 43 new product managers, software managers and testing managers whose compensation will be funded by the [REDACTED] of the [REDACTED] in the next five years. The following tables set forth details of our recruitment plans and allocation of labor costs:

	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>Total</u>
Labor costs . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	<i>(HK\$ in millions)</i>					
<u>Positions</u>	<u>Estimated Average Salary per annum (HK\$ in million)</u>					
	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	
Product manager	[REDACTED]	1	1	2	2	2
Software engineer	[REDACTED]	4	5	6	6	6
Testing manager	[REDACTED]	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>2</u>
Total		<u>6</u>	<u>7</u>	<u>10</u>	<u>10</u>	<u>10</u>

In connection with our plan to continue to enhance our technology development capabilities, the following table sets forth our key projects and their implementation timeline:

<u>Project</u>	<u>Description</u>	<u>Timeline</u>	<u>Estimated No. of Staff to be Hired</u>
Development of the DeOps system for our PaaS infrastructure	We intend to upgrade DeOps system for our PaaS infrastructure capable of supporting frequent, large-scale product upgrades and deployment needs for 10,000 customers	By end of the fiscal year ended March 31, 2024	FY2024: 2 Total: 2
Development of troubleshooting and alert systems for our PaaS infrastructure	We intend to establish a robust troubleshooting system that allows us to efficiently identify and alert on system failures and errors to ensure the security and reliability of our PaaS infrastructure	By end of the fiscal year ended March 31, 2024	FY2024: 2 Total: 2
Development of the “PaaS ISV Development Center”	We intend to build “PaaS ISV Development Center,” a digital system where selected independent software vendors, or ISVs, can use the diverse development tools we offer to efficiently develop HCM solutions using our PaaS infrastructure	By end of the fiscal year ended March 31, 2024	FY2024: 2 FY2025: 7 FY2026: 10 FY2027: 10 FY2028: 10 Total: 39

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Implementing the initiatives as set forth in (1) and (2) above generally requires us to recruit more R&D employees, and increase our general R&D expenditures. As a result, we expect our research and development expenses to continue to increase. Since we will make continued substantial investments in product development, we may be required to fund these initiatives other than from the net [REDACTED] from the [REDACTED], which may place constraints on our working capital and liquidity. However, we expect that these initiatives will have a long-term positive impact on our revenues and growth prospects as they allow us to attract more customers and expand their use of our solutions and services over time.

(3) *Strengthen our sales and marketing efforts.* Approximately [REDACTED]% or approximately HK\$[REDACTED] will be invested over the next five years to strengthen our sales and marketing efforts. More specifically:

(i). *Expand our sales force nationwide.* Approximately [REDACTED]% or approximately HK\$[REDACTED] will be used to expand our sales force nationwide. Our investments will include offering competitive compensation and regular on-the-job training to our sales personnel, establishing local subsidiaries and branches offices, and building relationships with customers and business partners in the local markets, among other things. We intend to further penetrate in Beijing, Shanghai, Guangzhou, Shenzhen and Hangzhou, which we refer to as “top-tier cities,” in which we have already built a strong track record. We also plan to expand our sales teams in high-growth non-top-tier cities, such as Suzhou, Nanjing, Wuhan, Chengdu and Chongqing, where we believe there is significant unmet demand for integrated cloud-based HCM solutions. For the fiscal years ended March 31, 2020, 2021 and 2022 and the six months ended September 30, 2022, the revenues generated from top-tier cities represented 60.2%, 64.8%, 63.6% and 63.7%, respectively, of our total revenues for the same periods.

Substantially all of the [REDACTED] allocated to expand our sales force nationwide will consist of labor costs. We intend to hire a total of 26 new software managers whose compensation will be funded by the [REDACTED] of the [REDACTED] in the next five years. The following tables set forth details of our recruitment plans and allocation of labor costs:

Allocation of the Estimated Use of [REDACTED]	Areas	Estimated No. of Staff to be Hired
Approximately [REDACTED]% or HK\$[REDACTED] 	Top-tier cities	FY2024: 2 FY2025: 0 FY2026: 2 FY2027: 2 FY2028: 2 Total: 8
Approximately [REDACTED]% or HK\$[REDACTED] 	High-growth non-top-tier cities	FY2024: 3 FY2025: 1 FY2026: 4 FY2027: 4 FY2028: 6 Total: 18

	FY2024	FY2025	FY2026	FY2027	FY2028	Total
Labor costs . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

(HK\$ in millions)

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<u>Positions</u>	<u>Estimated Average Salary per annum (HK\$ in million)</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>
Sales manager	[REDACTED]	5	1	6	6	8
Total		<u>5</u>	<u>1</u>	<u>6</u>	<u>6</u>	<u>8</u>

- (ii). Expand and diversify our sales and marketing channels. Approximately [REDACTED]% or approximately HK\$[REDACTED] will be invested in expanding and diversifying our sales and marketing channels. We plan to actively organize and participate in various industry events, such as industry forums, seminars, conferences and solution showcases, to strengthen our relationships with existing customers and build relationships with potential customers and expand our influences through word-of-mouth referrals. We also intend to invest in online sales and marketing channels, including advertisements strategically placed on professional and social network platforms.
- (iii). Improve our sales and marketing technologies. Approximately [REDACTED]% or approximately HK\$[REDACTED] will be invested in improving our technologies used in sales and marketing. For example, we intend to leverage AI-powered algorithms and processes that automatically assign leads to the most suitable sales personnel, in order to maximize conversion of potential leads to subscriptions and enhance customer experience. We also intend to continue to invest in adopting world-leading B2B marketing automation solutions and customer information and interaction management systems. We also plan to purchase user labeling and profiling tools developed by third parties that help us more effectively engage in content marketing with target customers.

In connection with our plan to strengthen our sales and marketing efforts, the following table sets forth our expansion plans by regions and their implementation timeline:

<u>Regions</u>	<u>Description of expansion plans and timeline</u>
Top-tier cities	We intend to further penetrate in Beijing, Shanghai, Guangzhou, Shenzhen and Hangzhou, with incremental [REDACTED] of 15% each year between fiscal year ended March 31, 2023 and fiscal year ended March 31, 2026
High-growth non-top-tier cities	We intend to expand our sales teams and establish branches and local offices in selected lower-tier cities. For example, we plan to establish local offices in Zhengzhou and Hefei in the fiscal year ended March 31, 2024, local offices in Xi’an, Shenyang and Shijiazhuang by end of the fiscal year ended March 31, 2026.

By implementing the initiatives set forth in (3) above, we expect to incur additional sales and marketing expenses due to increased salesforce and expanded sales and marketing activities. However, we expect these initiatives to enable us to expand our customer base with greater cross-selling and up-selling opportunities which, in turn, benefits our revenue and profitability in the long run.

- (4) Enhance our customer success and services capabilities. Approximately [REDACTED]% or approximately HK\$[REDACTED] will be allocated over the next five years to enhance our customer success and services capabilities. We will have a dedicated team of customer success managers and delivery managers. These employees will be responsible for providing advice to customers on how to best utilize our solutions, sharing with customers our industry insights and product upgrades, and solving critical problems in product

FUTURE PLANS AND USE OF [REDACTED]

applications. Our customer success and service teams are also responsible for addressing complaints and concerns from customers and providing solutions to mitigate and make-positive any unsatisfactory experience. We will improve our firm-wide customer success systems. More specifically, we intend to formulate and implement our firm-wide customer service policy and standards, including a tiered customer services model through which we provide differentiated services and support to customers based on their nature, size, sophistication, and subscriptions of our solutions. We have also recently introduced a unified set of quantifiable key performance indicators, or KPIs, such as response time and number of customer visits, to evaluate the performance of our operation and product support personnel and better track customer satisfaction. Substantially all of the [REDACTED] allocated to enhance our customer success and services capabilities will consist of labor costs. We intend to hire a total of 46 new customer success managers and delivery managers whose compensation will be funded by the [REDACTED] of the [REDACTED] in the next five years. The following tables set forth details of our recruitment plans and allocation of labor costs:

	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>Total</u>
	<i>(HK\$ in millions)</i>					
Labor costs	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

<u>Positions</u>	<u>Estimated Average Salary per annum (HK\$ in million)</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>
Customer success manager	[REDACTED]	2	3	2	2	4
Delivery manager	[REDACTED]	6	6	6	6	9
Total		<u>8</u>	<u>9</u>	<u>8</u>	<u>8</u>	<u>13</u>

In connection with our plan to enhance our customer success and services capabilities, the following table sets forth key projects and their implementation timeline:

<u>Project</u>	<u>Description</u>	<u>Timeline</u>	<u>Estimated No. of Staff to be Hired</u>
“Core” Customer Success Program	We will implement a “Core” Customer Success Program to support the rapidly increasing adoption of our Core HCM solutions by customers. As part of this program, we intend to build a team of seasoned product managers to lead the implementation of our Core HCM solutions in top-tier cities and maintain a sizable customer service consultant team who serve our customers remotely from our customer care center in Suzhou	By end of the fiscal year ended March 31, 2024	FY2024: 5 FY2025: 5 Total: 10
Development of a tiered customer services	We intend to develop a tiered customer services model allowing us to provide differentiated services and support to customers based on their nature, size, sophistication, and subscriptions of our solutions	By end of the fiscal year ended March 31, 2025	FY2024: 2 FY2025: 2 FY2026: 2 Total: 6

FUTURE PLANS AND USE OF [REDACTED]

Project	Description	Timeline	Estimated No. of Staff to be Hired
Development of a Share Service Center (SSC) center	We plan to establish a new SSC located in a lower-tier city to support growth in customer base. The use of an SSC center will help us reduce service duplication and business unit silos within our organization by integrating service functions into a single department.	By end of the fiscal year ended March 31, 2026	FY2024: 1 FY2025: 2 FY2026: 6 FY2027: 8 FY2028: 13
Total: 30			

By implementing the initiatives set forth in (4) above, we expect to incur additional cost of revenue due to increased customer success and service personnel. However, we expect these initiatives to enable us to increase customer satisfaction and thereby increase our subscription revenue retention rate in the long run.

- (5) Approximately [REDACTED]% or approximately HK\$[REDACTED] is expected to be used for working capital and other general corporate purposes.

If the [REDACTED] is exercised in full, and net [REDACTED] that we will receive will be approximately HK\$[REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share. In the event that the [REDACTED] is exercised in full, we intend to apply the additional net [REDACTED] to the above purpose in the proportions stated above on a pro rata basis.

To the extent that the net [REDACTED] are not immediately applied to the above purposes and to the extent permitted by the relevant law and regulations, we will only place the net [REDACTED] as short-term deposits only at licensed banks or financial institutions, as defined under the PRC laws, located in the PRC. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.