

FUTURE PLANS AND [REDACTED]

FUTURE PLANS

See “Business—Business Strategies” in this document for further information regarding our future plans.

[REDACTED]

We estimate that the aggregate [REDACTED] from the [REDACTED] (after deducting [REDACTED] fees and [REDACTED] and estimated expenses payable by us in connection with the [REDACTED]), assuming that the [REDACTED] is not exercised and assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the proposed [REDACTED] range, will be approximately HK\$[REDACTED]. We currently intend to apply these [REDACTED] for the purposes and in the amount, set forth below:

Major Categories	% of [REDACTED]	Amount	Sub-categories	Specific Plans	% of [REDACTED]	Timeframe		
						2023	2024	2025
		<i>(HK\$ in millions)</i>				<i>(HK\$ in millions)</i>		
Strategic acquisitions and investments	[REDACTED]	[REDACTED]		– We expect to further expand our business and diversify our property portfolio and further solidify our market position by acquiring or investing in other property management companies that focus on residential or non-residential properties.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Invest and upgrade in hardware and software for the development of communities across the projects we manage	[REDACTED]	[REDACTED]	(a) Develop or upgrade our intelligent patrol system, intelligent public facilities management system and power consumption system	We plan to develop or upgrade our intelligent patrol system, intelligent public facilities management system and power consumption system to facilitate centralized management, optimize operation efficiency and reduce labor costs.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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Major Categories	% of [REDACTED]	Amount	Sub-categories	Specific Plans	% of [REDACTED]	Timeframe		
						2023	2024	2025
		(HK\$ in millions)				(HK\$ in millions)		
			(b) Upgrade our hardware for monitoring	We plan to upgrade our hardware for monitoring such as entrance gates, intelligent surveillance cameras, facial recognition cameras, intelligent anti-theft system, intelligent car park management system and monitoring sensors, to achieve intelligent control of entrance and ensure better security control of the communities we manage.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
			(c) Set up an integrated remote monitoring center	We plan to set up an integrated remote monitoring center to increase our overall management efficiency.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
			(d) Develop a brand new intelligent online platform to supplement our one-stop service mobile App to be launched	We plan to develop a brand new intelligent online platform to supplement our one-stop service mobile App to be launched, which can increase the interaction between property owners and us and expand our service offerings, support the operation of our business and enhance efficiency.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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Major Categories	% of [REDACTED]	Amount	Sub-categories	Specific Plans	% of [REDACTED]	Timeframe		
						2023	2024	2025
		(HK\$ in millions)				(HK\$ in millions)		
			(e) Purchase more intelligent robots for usage	We plan to purchase more intelligent robots with artificial intelligent technologies for certain aspects such as security, gardening, cleaning and greeting services, so as to optimize operation efficiency and reduce labor costs.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Enrich the service offerings, scale and efficiency of our community value-added services.	[REDACTED]	[REDACTED]		– We plan to diversify the service offerings of our community value-added services including but not limited to housekeeping services, maintenance services, real estate agency services, turnkey move-in services, community elderly and child care services, as well as community catering services, so as to satisfy the ever-changing needs of our customers, improve our brand recognition and competitiveness.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]			[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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Plans for Strategic Acquisitions and Investments

As of the Latest Practicable Date, we had not identified or committed to any acquisition targets for our use of [REDACTED] received by our Company from the [REDACTED]. When determining the amount of approximately HK\$[REDACTED], or [REDACTED] of the [REDACTED], allocated to potential acquisitions of and investments in other property management companies, assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the proposed [REDACTED] range per Share stated in this document), we have considered (i) the acquisition of or investment in majority equity interests of potential targets at a price-earnings ratios of approximately seven to 18 times; (ii) our goal to acquire or invest in around [REDACTED] potential targets; and (iii) our criteria for strategic acquisitions and investments as disclosed below. We do not plan to acquire or invest in minority equity interests of potential targets. The abovementioned considerations under the allocation of the [REDACTED] and allocation of [REDACTED] among different types of targets above may be subject to changes based on market conditions.

Although we had not identified any suitable targets as of the Latest Practicable Date, we have determined the criteria for evaluating potential targets. These efforts are based on the results of research, financial due diligence and preliminary assessments and feasibility studies undertaken during the Track Record Period and up to the Latest Practicable Date, as well as our experience in acquisition during the Track Record Period.

Criteria for Strategic Acquisitions and Investments

We plan to strategically acquire or invest majority interest in small- and medium-sized property management companies that focus on residential or non-residential properties, such as public facilities, education institutions or hospitals, with business operation in the Yangtze River Delta Region (particularly Zhejiang province) or other key cities across the PRC with high growth potential such as Fuzhou, Xiamen, Quanzhou and Nanchang in Eastern China region, Wuhan and Changsha in Central China region, and Chengdu in South Western China region. We plan to focus on suitable targets which: (i) have business operations that are compliant with all relevant PRC laws and regulations; (ii) have a total GFA under management of not less than 1.0 million sq.m.; (iii) have a total annual net profit of not less than RMB1.0 million for the most recent financial year; and (iv) have reputable brand and good corporate image without major negative news or reports on unsatisfactory property management services, negative credit records, debt disputes, administrative penalties or pending legal proceedings and disputes. Based on the abovementioned key criteria, we plan to acquire or invest in about [REDACTED] potential targets. With respect to the targets for our strategic acquisitions and investments, we will also consider other risk factors, including hidden liabilities, administrative penalties, outstanding legal proceedings and disputes. Accordingly, we expect to create synergy between the property projects of the acquired companies and our existing property projects and future property projects that we may obtain organically in the targeted regions or cities abovementioned, by (i) sharing business contacts, business opportunities and other local resources between different property projects, (ii) reducing costs and achieving economies of scales through centralized purchase and manpower

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coordination in the same region, and (iii) sharing experiences on local regulatory, cultural and business environment among our Group. Our Directors also expect that our strategic acquisitions and investments will enhance our market share in the PRC property management industry as a result of our enlarged portfolio of projects, which will bring positive impacts on our Group’s results of operations and business growth.

Implementation of Acquisition Plan

We plan to acquire or invest in quality property management companies with the property portfolio that is in line with our plans. For more criteria for our potential targets, see “—Criteria for Strategic Acquisitions and Investments” in this section. CIA has identified increasing market concentration and selectivity in merger and acquisition activities are key trends in the highly competitive and fragmented PRC property management industry. See “Industry Overview—The PRC Property Management Industry” in this document for details. According to CIA, though over 70% of the 2021 Top 100 Property Management Companies were owned by or associated with property development companies, there were over 200,000 property management companies with a total market size of approximately RMB667.1 billion in the PRC as of December 31, 2021, as compared to around 100,000 property developers in the PRC. It means that many of the property management companies in the PRC are not owned by or associated with property developers.

Our Directors are aware that many of the PRC property management companies listed on the Stock Exchange have plans to use their net proceeds from their listing for strategic acquisitions and investments and have been trying to identify suitable targets in the market. As a result, we may not be able to materialize our plan to acquire or invest in other small- and medium-sized property management companies that focus on residential or non-residential properties in the PRC. See “Risk Factors—Risks Relating to Our Business and Industry—Our future acquisitions may not be successful or materialized, and we may face difficulties in integrating acquired operations with our existing operation” in this document for further discussion of the related risk. According to CIA, the property management industry in the PRC is characterized by a high level of fragmentation with an increasing trend of concentration and the number of property management companies in the industry is high with relatively smaller business scale. In addition, as of the Latest Practicable Date, there are around 300, 100, 100 and 100 property management companies in the Yangtze River Delta Region, Eastern China region (except areas covered in the Yangtze River Delta Region), Central China region and South Western China region, respectively, which can fulfill our acquisitions and investment criteria of having a total GFA under management of not less than 1.0 million sq.m. and a total annual net profit of not less than RMB1.0 million for the most recent financial year. As such, our Directors believe that, despite the competition we face from other market players for quality target companies, there are sufficient number of suitable target companies available in the market for our strategic acquisitions and investments plan. For example, we managed to acquire 80% equity interest in Zhejiang Chengcheng in 2018. If our future acquisition and investment plan cannot materialize, we will (i) continue identifying new acquisition or investment targets; (ii) continue obtaining engagements from new customers through improving our service quality and enhancing our brand recognition in

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order to expand our market share; (iii) continue maintaining our relationships with existing customers in order to secure new engagements; and (iv) procure to acquire new property management service agreements through participating in public tenders.

In addition, our investment development center is in charge of identifying potential acquisition targets or projects pursuant to the marketing and expansion management policy we devised. Our subsidiaries and branch offices are also responsible for implementing the marketing and expansion management policy under the supervision of our investment development center. Details of any potential acquisition or investment opportunities will be reported by the investment development center to the management for review and approval. Based on our successful historical strategic acquisition, the trend of industry consolidation, our market position and brand name, as well as the efforts of our investment development center, we believe that we will be able to implement our acquisition or investment plan successfully.

Based on the above, our Directors are of the view that our plan of allocating HK\$ [REDACTED] for the acquisition of [REDACTED] potential targets is feasible and we can identify suitable investment or acquisition targets, having considered (i) our market research, financial due diligence and preliminary assessments and feasibility studies undertaken during the Track Record Period and up to the Latest Practicable Date with respect to strategic acquisitions and investments; (ii) our continuous efforts in implementing the acquisition and investment plans, including the work conducted by our investment development center, and our management and investment development center’s capabilities and experience related to acquisitions and investments; (iii) our reputation in the industry and brand recognition in the Yangtze River Delta Region that may assist us with our acquisition and investment plans; and (iv) CIA’s advice on the availability of potential targets in the PRC which are suitable for our consideration.

We believe that strategic acquisitions and investments will help reduce our reliance on the Remaining Group. With our service quality and diverse service offerings, we believe we can establish business relationships with the independent third-party property developers that developed the projects managed by the target property management companies we may acquire. Meanwhile, we will also understand the needs of these property developers better and be able to provide more suitable services such that our chances to be engaged by these property developers as the property management service provider for other property projects they develop will be higher. Leveraging our experience with these property developers, we believe we may also develop business relationships with other independent third-party property developers.

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Valuation Basis

We determine the amount of consideration for a potential target primarily by referring to factors such as the price-earnings ratios of comparable companies and its net profit in the most recent financial year. According to CIA, price-earnings ratios used for listed property management companies’ acquisitions and investments in other property management companies typically range from seven times to 18 times. Our final price range may be determined on the basis of, or adjusted depending on factors such as, the target’s size, the qualifications that it possesses, its potential, location and quality of properties it managed, occupancy rate, and collection rate of property management fees. In the event that the [REDACTED] received by our Company from the [REDACTED] are less than the capital expenditure needed, we intend to use our internal funds.

Plans for Investment and Upgrade in Hardware and Software for the Development of Communities Across the Projects we Manage

Develop or Upgrade our Intelligent Patrol System, Intelligent Public Facilities Management System and Power Consumption System

Intelligent patrol system

We plan to use approximately HK\$[REDACTED] to upgrade the intelligent patrol system. We believe such upgrade can improve our operation efficiency and response time to emergencies, centralize our security management and reduce labor costs. We estimate that it will cost on average HK\$[REDACTED] to conduct such upgrade for each property project with reference to the price quote we obtained. As of December 31, 2022, none of our property projects were equipped with the upgraded intelligent patrol system. It is expected that 45 property projects will be fully equipped with the upgraded intelligent patrol system by the end of 2025.

Intelligent public facilities management system

We plan to use approximately HK\$[REDACTED] to develop the intelligent public facilities management system with an automatic alarm function. We believe such development can facilitate and realize centralized management of intelligent facilities installed at the property projects we manage, improve our operation efficiency through identifying and resolving technical issues in an accurate and timely manner, reduce management risk and maintenance costs. We estimate that it will cost on average HK\$[REDACTED] to conduct such development for each property project with reference to the price quote we obtained. As of December 31, 2022, none of our property projects were equipped with the new intelligent public facilities management system. It is expected that 40 property projects will be fully equipped with the new intelligent public facilities management system by the end of 2025.

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Power consumption system

We plan to use approximately HK\$[REDACTED] to develop the power consumption system. We believe such development can assist us in monitoring the water and electricity consumption at the properties we manage, identifying any abnormal usage which in turn will facilitate our cost management and reduce unnecessary damage to the environment. We estimate that it will cost on average HK\$[REDACTED] to conduct such development for each property project with reference to the price quote we obtained. As of December 31, 2022, none of our property projects were equipped with the new power consumption system. It is expected that 41 property projects will be fully equipped with the new power consumption system by the end of 2025.

Upgrade our Hardware for Monitoring

We plan to use approximately HK\$[REDACTED] to upgrade our hardware for monitoring such as entrance gates, intelligent surveillance cameras, facial recognition cameras, intelligent anti-theft system, intelligent car park management system and monitoring sensors. We believe such upgrade can achieve intelligent control of entrance and ensure better security control of the communities we manage. We estimate that it will cost on average HK\$[REDACTED] to conduct such upgrade for each property project with reference to the price quote we obtained. As of December 31, 2022, no less than 30 of our property projects were equipped with at least one of the upgraded monitoring hardware. It is expected that a total of 43 property projects will be equipped with at least one of the upgraded entrance gates, intelligent surveillance cameras, facial recognition cameras, intelligent anti-theft system, intelligent car park management system and monitoring sensors by the end of 2025.

Set Up an Integrated Remote Monitoring Center

We plan to use approximately HK\$[REDACTED] to set up an integrated remote monitoring center to increase our overall management efficiency. We expect our integrated remote monitoring center will serve as a centralized point to store, process and monitor data we collect from our intelligent patrol system, intelligent public facilities management system, power consumption system and other intelligent facilities we installed or to be installed at the properties we manage.

We intend to carry out the following implementation plan concerning the portion of [REDACTED] from the [REDACTED] allocated to the setting up of our integrated remote monitoring center during the years indicated below.

- (i) For the year ending December 31, 2023, we intend to allocate approximately HK\$ [REDACTED] to carry out renovation of the integrated remote monitoring center, procurement and installation of monitoring facilities and systems and commence trial operation of the center. We also intend to connect the intelligent systems and facilities installed at approximately half of our projects under management as of December 31, 2022 to the integrated remote monitoring center.

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- (ii) For the year ending December 31, 2024, we intend to allocate approximately HK\$ [REDACTED] to finalize the installation and upgrade of the monitoring facilities and system, and complete the system connection process for the remaining projects under management as of December 31, 2022 to the integrated remote monitoring center.
- (iii) For the year ending December 31, 2025, we intend to allocate approximately HK\$ [REDACTED] to complete the system connection process for all other projects delivered or to be delivered for our management subsequent to December 31, 2022, thereby achieving full monitoring coverage across the properties we manage.

It is estimated that the total costs for setting up an integrated remote monitoring center is approximately HK\$[REDACTED] and its breakdown is as follows: (i) approximately [REDACTED]% will be used to procure centralized monitoring facilities and system to be installed at the integrated remote monitoring center; (ii) approximately [REDACTED]% will be used to procure monitoring facilities and system to be installed at the projects we manage; and (iii) approximately [REDACTED]% will be used for installation and trial operation.

Develop a Brand New Intelligent Online Platform to Supplement our One-stop Service Mobile App to be Launched

We plan to use approximately HK\$[REDACTED] to build a brand new intelligent online platform, which will link our consumer-front mobile App to additional supporting functions such as property information dissemination, repair and maintenance reporting and follow-up, centralized collection and monitoring of property management fees, customer feedback and complaints collection, as well as provision of various community online services including recreational facilities booking, health-care services, educational services and intelligent logistics services, which can increase the interaction between property owners and us and facilitate the expansion of our service offerings, support the operation of our business and enhance efficiency. The new intelligent online platform is expected to be available for use by the end of 2025.

Purchase More Intelligent Robots for Usage

We plan to use approximately HK\$[REDACTED] to purchase around 119 intelligent robots with artificial intelligent technologies to provide security, gardening, cleaning and greeting services to optimize operation efficiency and reduce labor costs. Such intelligent robots are expected to be fully deployed to 34 property projects by the end of December 31, 2024. Based on the quotations we obtained, we estimate that on average it will cost approximately HK\$[REDACTED] for the purchase of one intelligent robot. Our Directors expect that our planned deployment of one intelligent robot for each aspect, including security, gardening, cleaning and greeting, will allow us to reduce on average three, one, three and three personnel per property project for each aspect, respectively. For illustration purpose, based on a property project with GFA under management of approximately 200,000 sq.m., upon the full deployment of such intelligent robots, we expect we will be able to save approximately RMB[REDACTED] labor costs (including salary and benefits) per project per year.

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Plan for Enrichment of the Service Offerings, Scale and Efficiency of our Community Value-added Services

We plan to use approximately HK\$[REDACTED] to diversify the service offerings of our community value-added services including but not limited to housekeeping services, maintenance services, real estate agency services, turnkey move-in services, community elderly and child care services, as well as community catering services, so as to satisfy the ever-changing needs of our customers, improve our brand recognition and competitiveness.

We intend to carry out the following implementation plan concerning the portion of [REDACTED] from the [REDACTED] allocated to enrich the service offerings, scale and efficiency of our community value-added services during the years indicated below.

- (i) For the year ending December 31, 2023, we intend to allocate HK\$[REDACTED] to extend housekeeping services, maintenance services, real estate agency services and turnkey move-in services to nine of our residential properties under management as of December 31, 2022; and community elderly and child care services as well as community catering services to five of our residential properties under management as of December 31, 2022.
- (ii) For the year ending December 31, 2024, we intend to allocate approximately HK\$ [REDACTED] to fund the provision of housekeeping services, maintenance services, real estate agency services and turnkey move-in services to the aforesaid nine residential properties under management as of December 31, 2022; and to fund the provision of community elderly and child care services as well as community catering services to the aforesaid five residential properties under management as of December 31, 2022.
- (iii) For the year ending December 31, 2025, we intend to allocate approximately HK\$ [REDACTED] to fund the provision of housekeeping services, maintenance services, real estate agency services and turnkey move-in services to the aforesaid nine residential properties and extend such services to an additional five residential properties under management as of December 31, 2022; and to fund the provision of community elderly and child care services as well as community catering services to the aforesaid five residential properties and extend such services to an additional three residential properties under management as of December 31, 2022.

To facilitate our expansion plan for community value-added services, we plan to (i) hire 45 housekeeping personnel possessing at least a secondary qualification with three years of relevant working experience, 35 maintenance personnel possessing at least a college degree with three years of relevant working experience, 30 real estate agents possessing at least a secondary qualification with three years of relevant working experience, 10 customer services personnel possessing at least a secondary qualification with three years of relevant working experience, 10 elderly carers possessing at least a secondary qualification with relevant working experience, 10 child carers possessing at least a college degree with relevant working experience at kindergarten preferred, and 10 catering personnel possessing at least a secondary

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qualification with one year of relevant working experience to provide the respective community value-added services at our planned property projects; and (ii) organize various on-the-job trainings such as induction trainings, relevant vocational trainings, customer services and management trainings and business development trainings to cultivate and equip our existing employees with the relevant skills and knowledge to provide our planned community value-added services.

Basis and Assumptions

Our future plans and business strategies are based on the following general assumptions:

- there will be no material change in the funding requirement for each of our future plans described in this document from the amount as estimated by our Directors;
- we will have sufficient financial resources to meet the planned capital expenditures and business development requirements during the period to which our future plans relate;
- the [REDACTED] will be completed in accordance with and as described in “Structure of the [REDACTED]” in this document;
- there will be no material changes in existing accounting policies from those stated in the audited consolidated financial statements of our Group for the Track Record Period;
- our operations including our future plans will not be interrupted by any *force majeure*, unforeseeable factors, extraordinary items or economic changes in respect of inflation, interest rate and tax rate in the PRC and elsewhere;
- there will be no material changes in the bases or rates of taxation applicable to our activities;
- we will not be materially affected by the risk factors as set out in “Risk Factors” in this document;
- we will continue with our operation including but not limited to retaining our key staff and maintaining our customers, suppliers and subcontractors in the same manner as we did during the Track Record Period;
- there will be no material change in existing laws and regulations, or other governmental policies relating to our Group and our business, or in the political or market conditions in which we operate; and

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- there will be no epidemic or disasters, natural, political or otherwise, which would materially disrupt our businesses or operations.

The above allocation of the [REDACTED] from the [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed at a higher or lower level compared to the mid-point of the proposed [REDACTED] range or the [REDACTED] is exercised.

If the [REDACTED] is fixed at HK\$[REDACTED] per [REDACTED] (being the high-end of the [REDACTED] range stated in this document and assuming the [REDACTED] is not exercised), the [REDACTED] we receive will be approximately HK\$[REDACTED], after deduction of [REDACTED] fees and [REDACTED] and estimated expenses payable by us in connection with the [REDACTED].

If the [REDACTED] is fixed at HK\$[REDACTED] per [REDACTED] (being the low-end of the [REDACTED] range stated in this document and assuming the [REDACTED] is not exercised), the [REDACTED] we receive will be approximately HK\$[REDACTED], after deduction of [REDACTED] fees and [REDACTED] and estimated expenses payable by us in connection with the [REDACTED].

If the [REDACTED] is fixed at HK\$[REDACTED] per [REDACTED] in the event that we make a [REDACTED], the [REDACTED] we receive will be approximately HK\$[REDACTED], after deduction of [REDACTED] fees and [REDACTED] and estimated expenses payable by us in connection with the [REDACTED].

In the event that the [REDACTED] is exercised in full, we will receive additional [REDACTED] ranging from approximately HK\$[•] million (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the low-end of the proposed [REDACTED] range) to HK\$[•] million (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the high-end of the proposed [REDACTED] Range), after deduction of [REDACTED] fees and [REDACTED] and estimated expenses payable by us in connection with the [REDACTED].

To the extent that the [REDACTED] are not immediately applied to the above purposes and to the extent permitted by applicable law and regulations, we will hold such funds in short-term deposits with licensed banks or authorized financial institutions as defined under the Securities and Futures Ordinance or the applicable laws in the relevant jurisdiction for non-Hong Kong based deposits. We will make an appropriate announcement if there is any change to the above proposed use of [REDACTED] or if any amount of the [REDACTED] will be used for general corporate purpose.