
FUTURE PLANS AND USE OF PROCEEDS

See “Business – Our Strategies” for a detailed description of our future plans.

USE OF PROCEEDS

The table below sets forth the estimated net proceeds of the [REDACTED] which we will receive after deduction of [REDACTED] fees and commissions 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 mid-point of the [REDACTED] range stated in this document)	HK\$[REDACTED] million
Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the high end of the [REDACTED] range stated in this document)	HK\$[REDACTED] million
Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the low end of the [REDACTED] range stated in this document)	HK\$[REDACTED] million

We intend to use the net proceeds as follows (based on the mid-point of the [REDACTED] range stated in this document):

- Approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used to improve customer experience to satisfy the evolving customer demands, with detailed breakdown of the use of proceeds to be allocated as below:
 - (i) Approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used to expand the scale of IT devices under our management and develop DLM solutions and services for different scenarios, such as digital printing solutions and integrated cloud-based conferencing solutions, etc.

To expand the scale of IT devices available for subscription, we plan to purchase approximately 176,500 computers from 2023 to 2025, of which [REDACTED]% of the total purchase price, or HK\$[REDACTED] million, will be paid using net proceeds from the [REDACTED].

The digital printing solutions provide companies with effective data management and enhanced data security. The integrated cloud-based conferencing solutions enable conference participants in multi-point conferences with desktop, laptop and smartphone. We provide both IT devices and software to our customers for the two types of services mentioned above. Therefore, we plan to purchase approximately 3,800 digital printers and large conference screens from 2023 to 2025 in order to support our provision of digital printing solutions and integrated cloud-based conference solutions. Approximately [REDACTED]% of the total purchase price, or HK\$[REDACTED] million, will be paid using net proceeds from the [REDACTED].

FUTURE PLANS AND USE OF PROCEEDS

- (ii) Approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used to continue to refurbish and upgrade de-commissioned IT devices to extend their service life and upgrade their performance and improve customer experience, among which approximately HK\$[REDACTED] million and HK\$[REDACTED] million will be used to purchase accessories for refurbishment and improve our remanufacturing facilities, respectively.
- (iii) Approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used to improve our technical service capabilities, recruit technical professionals with extensive technical service experience and provide professional training to the team, increase the coverage of service personnel in core cities and CBDs, and address customers' demand in a more responsive manner in these regions.

Approximately HK\$[REDACTED] million will be used to recruit approximately 50 IT technical engineers at junior to middle level with around three years of IT technical experience in the next three years to provide door-to-door installation, repair and maintenance services. We expect the net proceeds will be used for salary payment of these additional technical engineers until 2025. The remaining balance of the net proceeds of approximately HK\$[REDACTED] million will be used to fund the cost of training programs for our IT technical engineers.

- Approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used to expand customer base and our market share in targeted markets, with detailed breakdown of the use of proceeds to be allocated as below:
 - (i) Approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used to expand our elite sales team and improve the training system for sales team to strengthen our sales network, expand our services in core cities and CBDs, and expand our customer base of growing enterprises.

In particular, we plan to recruit approximately 30 offline sales staff and approximately five online operations staff in our sales team in the next three years. The additional offline sales staff will enhance our capability in acquiring more large corporate customers, as their development and maintenance require more in-person interaction. We will hire offline sales staff familiar with local market and enterprises in our targeted markets, and provide training to them to increase their ability to attract and retain KA customers. The additional online operations staff will support the operation of our own bearrental.com website and the customer service portals to be co-developed with our third-party business partners (the details of which will be discussed below, aiming at acquiring small and medium-size enterprise customers). We expect the net proceeds will be used for salary payment of these additional sales staff until 2028. To further expand our customer base and market share in targeted markets, we plan to upgrade our system infrastructure and further penetrate

FUTURE PLANS AND USE OF PROCEEDS

into core cities, and deepen cooperation with strategic Shareholders and business partners as well as other e-commerce platforms. For details, please refer to “Financial Information – Our Strategy to Improve Profitability – Expand our customer base and market share in core regions” in this document.

- (ii) Approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used to enhance our brand awareness and industry influence through online and offline marketing and brand promotion, and increase awareness and engagement of customers.

Approximately HK\$[REDACTED] million is expected to be used to increase our online customer acquisition by engaging in search engines and social media advertising, which enable us to reach potential customers online more easily. Furthermore, by placing advertisements on e-commerce platforms, we can also strengthen our relationship with e-commerce platforms operators and gain exposure to a large network of qualified investors.

In addition, approximately HK\$[REDACTED] million is expected to be used to cover our increased advertising expenditure to strengthen our brand awareness, including sponsoring events, elevator advertisements and outdoor advertisements.

- Approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used for system upgrade and product development, with detailed breakdown of the use of proceeds to be allocated as below. Enhancing technology capabilities and upgrading system infrastructure require substantial capital investment. As of June 30, 2022, we had 79 research and development staff. We plan to recruit more than 10 research and development staff including product managers, system developers, data analysts and project managers in the next three years. As the DLM market in China is expected to experience growth at a faster rate in the years ahead, we believe such investment is indispensable to rapidly increase our presence.
 - (i) Approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used to further enhance technology capabilities and upgrade system infrastructure to improve our operational efficiency, asset management efficiency and asset utilization rate.

We plan to use approximately HK\$[REDACTED] million in recruiting approximately 12 research and development staff in the next three years. These additional research and development staff include product managers, system developers, operation and maintenance personnel, data analysts, technology architects and project managers. We expect the net proceeds will be used for salary payment of these additional research and development staff until 2028. In addition, we plan to invest HK\$[REDACTED] million from 2023 to 2028 in system server resources and software license fee.

FUTURE PLANS AND USE OF PROCEEDS

- (ii) Approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used to upgrade and enhance the functionalities of our SaaS products by introducing features such as IoT technology and intelligent inventory counts to cover more business and application scenarios for enterprises to manage the full lifecycle of fixed assets.

Currently we have not applied IoT technology in our operation but have applied intelligent inventory counts through our self-developed software such as Bear Cloud Inventory Management System v1.0 (for details of our software copyrights, see “Appendix IV – Statutory and General Information” of this document) to track and manage the full life cycle of our devices. After running the software on a device, it will automatically read the key information of the device and print a barcode. The key information of the device can be retrieved by scanning the barcode afterwards. After we incorporate the IoT technology, we will be able to realize automatic detection of devices when they are moved in and out of the warehouse and improve the efficiency of inventory counts. To achieve the goal, we plan to use approximately HK\$[REDACTED] million in recruiting three IoT engineers and IoT product managers in the next three years. We expect the net proceeds will be used for salary payment of these IoT engineers and IoT product managers until 2028. In addition, approximately HK\$[REDACTED] million will be used from 2023 to 2028 to purchase smart hardware devices, related consumables and server resources.

- (iii) Approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used to co-develop customer service portals with third-party business partners with the core capabilities of the DLM system through standard technical interfaces, so that third-party business partners can provide DLM solutions on their own platforms.

We plan to spend (a) approximately HK\$[REDACTED] million on the recruitment of approximately three research and development staff, including product managers, system developers and operation and maintenance personnel in the next three years to co-develop customer service portals with third-party business partners and purchase system server resources. We expect the net proceeds will be used for salary payment of these additional research and development staff until 2028 and (b) approximately HK\$[REDACTED] million to purchase designated devices for the development of customers service portals with third-party business partners from 2023 to 2028.

By co-developing customer service portals, our third-party business partners possessing resources of enterprise customers but not providing DLM themselves can provide their customers with other valued-added products or services such as device subscription services on their proprietary platforms, through which their customers can complete all aspects of the transaction (including registration, credit risk control, order placement, delivery, payment of service fees) using their registered accounts with our third-party business

FUTURE PLANS AND USE OF PROCEEDS

partners. Currently, we have co-developed customer service portals zl.jd.com and zulin.jd.com in cooperation with JD.com on the homepage of JD.com’s e-commerce platform. Enterprise customers of JD.com can access and subscribe for our DLM solutions and complete the transaction via these portals directly. For completed orders, we normally pay a fee of approximately 5% of the transaction amount to JD.com, which are charged to our customer acquisition expenses. We are at early stage of discussion with certain other third-party business partners to co-develop customer service portals, and we have not entered into any agreement with them.

Through the co-development of such portals, we can reduce customer acquisition costs and improve customer acquisition efficiency. We expect to improve customer acquisition efficiency through the standardization of services and self-service order completion on the customer service portals, which enable us to attract and handle a large amount of SME customers at the same time. Furthermore, the development of the customer service portals will optimize customer experience by providing a seamless connection between third-party online platforms and our DLM solutions, and we can enhance trust and make new customers more willing to subscribe for our services with our third-party business partners’ recognized brands, which would effectively reduce our sales and marketing expenses on promoting our service currently displayed on third-party platforms through in-house marketing effort and in turn reduce our customer acquisition cost per new customer. In the future, we will use net proceeds to further develop the customer service portals and maintain technical interfaces.

- Approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used to strengthen our risk management capabilities, with detailed breakdown of the use of proceeds to be allocated as below:
 - (i) Approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used to expand the application of artificial intelligence technology, upgrade the intelligent risk control model and enhance real-time corporate credit assessment capabilities. We also plan to upgrade and optimize our intelligent credit granting, anti-fraud and early risk warning systems to improve the efficiency and accuracy of risk assessment.

We plan to spend approximately HK\$[REDACTED] million on the recruitment of around three risk control modelers with more than three years of relevant experience specializing in building and maintenance of risk control model to establish and maintain our risk control model in the next three years. We expect the net proceeds will be used for salary payment of these additional risk control modelers until 2028.

FUTURE PLANS AND USE OF PROCEEDS

- (ii) Approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used to establish internal and offline risk control teams, and improve online and offline integrated risk control capabilities.

We plan to spend (i) approximately HK\$[REDACTED] million on the recruitment of approximately four risk control personnel with more than three years of relevant experience to work with our sales team in customer acquisition in the next three years. We expect the net proceeds will be used for salary payment until 2028 and (ii) approximately HK\$[REDACTED] million for third-party data system from 2023 to 2028.

- The remaining approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used for working capital and general corporate purposes.

The table below sets forth the expected implementation timetable of our planned use of our proceeds:

	Year Ended December 31,				
	2026-				
	2023	2024	2025	2028	Total
	<i>(HK\$ in millions)</i>				
Improving customer experience⁽¹⁾					
Purchasing computers	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Purchasing digital printers and conference screens	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Purchasing accessories for refurbishment	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Improving remanufacturing capabilities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Recruiting technical professionals	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Providing professional training	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Expanding customer base and market share					
Expanding offline sales team	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Expanding team to operate online sales platform	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Online advertising	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Offline advertising	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

FUTURE PLANS AND USE OF PROCEEDS

	Year Ended December 31,				
	2026-				
	2023	2024	2025	2028	Total
	<i>(HK\$ in millions)</i>				
System and product development					
Enhancing technology capabilities and upgrading system infrastructure	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Upgrading functionalities of SaaS products	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Establishing customer service portals	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Risk management					
Improving intelligent credit assessment capabilities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Recruiting online intelligent risk control experts	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Working capital and general corporate purposes					
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Note:

- (1) We expect the net proceeds from the [REDACTED] allocated for improving customer experience will be used by the end of 2025.

The above allocation of the net proceeds 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 indicative [REDACTED] range. If the [REDACTED] is fully exercised, the net proceeds that we will receive will be approximately HK\$[REDACTED] million, assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range). In the event that the [REDACTED] is exercised in full, we intend to apply the additional net proceeds to the above purposes in the proportions stated above.

If the net proceeds of the [REDACTED] are not immediately applied to the above purposes, we will only deposit those net proceeds into short-term interest-bearing accounts at (i) licensed commercial banks in Hong Kong or the PRC, and/or (ii) other authorized financial institutions (as defined under the SFO) in Hong Kong.

We will issue an appropriate announcement if there is any change to the above proposed use of proceeds.