
FUTURE PLANS AND [REDACTED]

FUTURE PLANS

See "Business—Business Strategies" for a detailed description of our future plans.

[REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED], after deducting [REDACTED], fees and estimated expenses payable by us in connection with the [REDACTED], and assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] stated in this [REDACTED]. If the [REDACTED] is set at HK\$[REDACTED] per Share, being the high end of the indicative [REDACTED], the [REDACTED] from the [REDACTED] will increase by approximately HK\$[REDACTED]. If the [REDACTED] is set at HK\$[REDACTED] per Share, being the low end of the indicative [REDACTED], the [REDACTED] from the [REDACTED] will decrease by approximately HK\$[REDACTED].

Subject to future changes by our Directors according to market trends and/or our financial condition, we currently intend to apply these [REDACTED] in order to pursue our business strategies as follows:

- approximately [REDACTED]%, or HK\$[REDACTED], will be used to strategically expand our service outlet network to enhance our service capabilities;
- approximately [REDACTED]%, or HK\$[REDACTED], will be used to optimize our equipment portfolio;
- approximately [REDACTED]%, or HK\$[REDACTED], will be used to enhance our one-stop solution capabilities;
- approximately [REDACTED]%, or HK\$[REDACTED], will be used to enhance our operational efficiency through digitalization upgrade; and
- approximately [REDACTED]%, or HK\$[REDACTED], will be used for our working capital and general corporate purposes.

FUTURE PLANS AND [REDACTED]

<p>Strategy</p> <p>We will strategically expand our service outlet network to further enhance our service capabilities.</p>	<p>Overall goals to be met:</p> <ol style="list-style-type: none"> To establish service outlets for aerial work platforms mainly in Yangtze River Delta Region, Pearl River Delta Region, Beijing-Tianjin-Hebei Region, Chengdu-Chongqing Region, Henan, Hubei, Hunan, Fujian, Shandong and Shaanxi To establish service outlets for neo-formwork system mainly in Yangtze River Delta Region, Fujian and Shandong To establish service outlets for neo-excavation support systems mainly in Yangtze River Delta Region, Pearl River Delta Region, Henan, Hubei, Hunan, Fujian and Shandong To establish service outlets for other equipment services in China and establish overseas service outlets <p>Major use of the [REDACTED] from the [REDACTED] for this strategy will include (i) initial start-up costs at the early stages of establishing a service outlet; (ii) rental expenses; (iii) maintenance fees; (iv) construction costs; and (v) miscellaneous expenses.</p>	<p>Implementation targets and estimated investments for the year ended December 31, 2023</p> <p>Reaching between 250 and 300 service outlets</p> <p>Reaching between 30 and 35 service outlets</p> <p>Reaching between 75 and 80 service outlets</p> <p>Reaching between 20 and 30 service outlets</p> <p>Around RMB150 million to RMB160 million</p> <p>Around RMB330 million to RMB350 million</p> <p>Estimated investment per year</p> <p>Total estimated investment</p> <p>Amount of [REDACTED] to be used</p>	<p>Reaching between 300 and 350 service outlets</p> <p>Reaching between 40 and 45 service outlets</p> <p>Reaching between 85 and 90 service outlets</p> <p>Reaching between 30 and 40 service outlets</p> <p>Around RMB180 million to RMB190 million</p> <p>Around RMB350 million</p> <p>HK\$[REDACTED], or [REDACTED]% of the total [REDACTED]. (The remainder of the total investments to be used for this strategy shall be financed either by our internal financial resources or external loans)</p>
---	--	---	---

FUTURE PLANS AND [REDACTED]

Overall goals to be met:	Implementation targets and estimated investments for the year ended December 31, 2023	Implementation targets and estimated investments for the year ended December 31, 2024
<p>Strategy</p> <p>We will optimize our equipment portfolio.</p> <p>1. Procure more aerial work platforms. The ending balance of self-owned equipment volume for the year ending December 31, 2024 is expected to increase by approximately 45% to 65% as compared to the ending balance for the year ended December 31, 2022.</p> <p>2. Procure neo-excavation support systems which include H-steel, steel sheet pile and steel support. The ending balance of self-owned equipment volume for the year ending December 31, 2024 is expected to increase by approximately 6% to 10% as compared to the ending balance for the year ended December 31, 2022.</p> <p>3. Procure neo-formwork systems such as the ringlock scaffold and procure raw materials for the manufacturing of ringlock scaffold. The ending balance of self-owned equipment volume for the year ending December 31, 2024 is expected to increase by approximately 20% to 25% as compared to the ending balance for the year ended December 31, 2022.</p>	<p>Estimated investment per year</p> <p>Around RMB3,000 million to RMB5,000 million</p> <p>Total estimated investment</p> <p>Around RMB8,000 million to RMB12,000 million</p> <p>Amount of [REDACTED] to be used</p> <p>HK\$[REDACTED], or [REDACTED]% of the total [REDACTED]. (The remainder of the total investments to be used for this strategy shall be financed either by our internal financial resources or external loans)</p>	<p>Purchasing around 20 to 30 thousand units</p> <p>Purchasing around 30 to 40 thousand units</p> <p>Purchasing around 2 to 10 thousand tons</p> <p>Purchasing around 100 to 150 thousand tons</p> <p>Purchasing around 40 to 50 thousand tons</p> <p>Purchasing around 90 to 100 thousand tons</p>

FUTURE PLANS AND [REDACTED]

Implementation targets and estimated investments for the year ended December 31, 2024

Overall goals to be met:

Strategy

We will enhance our one-stop solution capabilities.

1. New research and development efforts

Completion of a research project on a bridge lift equipment suitable for community homes, among others

Development and evolution of corresponding projects

2. Recruiting additional staff for research and development team and additional technical staff for engineering team

Staff size increase to around 400 to 450, with an investment of around RMB120 million to RMB130 million, primarily on salaries and benefits

Staff size increase to around 500 to 550, representing a 45% to 65% increase from the number of research and development staff as of December 31, 2022, reaching about 460 to 480 with bachelor degrees and 5 to 10 with doctorate degrees, with an investment of RMB160 million to RMB170 million, primarily on salaries and benefits

Estimated investment per year

Around RMB170 million to RMB200 million

Total estimated investment

Around RMB370 million to RMB430 million

Amount of [REDACTED] to be used

HK\$[REDACTED], or [REDACTED]% of the total [REDACTED]. (The remainder of the total investments to be used for this strategy shall be financed either by our internal financial resources or external loans)

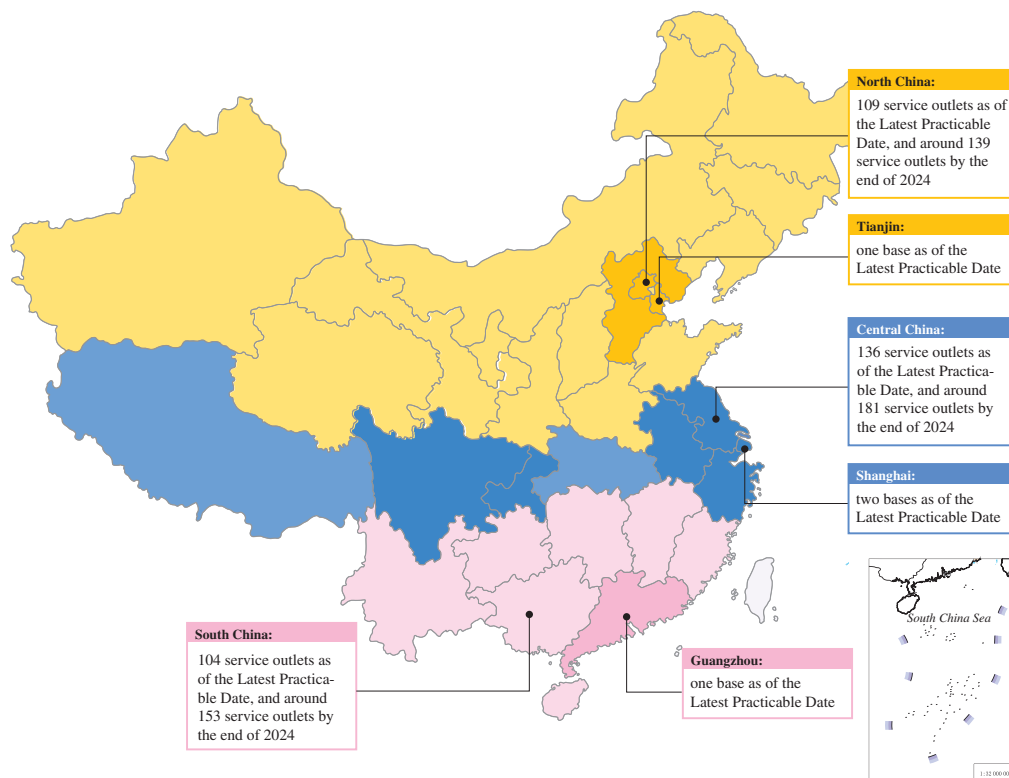
FUTURE PLANS AND [REDACTED]

<p>Strategy</p> <p>We will enhance our operational efficiency through digitalization upgrade.</p>	<p>Overall goals to be met:</p> <ol style="list-style-type: none"> 1. Recruiting additional staff for digitalization team 2. Subscriptions to or purchases of supporting systems and platforms (e.g. information security systems, etc.) 	<p>Implementation targets and estimated investments for the year ended December 31,</p> <p>2023</p> <p>Staff size increase to about 270 to 290, with an investment of RMB100 million to RMB120 million, primarily on salaries and benefits</p> <p>Finished subscribing all of the planned systems and platforms by the end of the year.</p>	<p>Staff size increase to about 300 to 320, with an investment of RMB120 million to RMB140 million, primarily on salaries and benefits</p> <p>Commencement of the evaluation of the systems and platforms subscribed or purchased, to finish by the end of the year.</p>	<p>Estimated investment per year</p> <p>Around RMB130 million to RMB150 million</p> <p>Total estimated investment</p> <p>Around RMB280 million to RMB320 million</p> <p>Amount of [REDACTED] to be used</p> <p>HK\$[REDACTED], or [REDACTED]% of the total [REDACTED]. (The remainder of the total investments to be used for this strategy shall be financed either by our internal financial resources or external loans)</p>
<p>Implementation targets and estimated investments for the year ended December 31,</p> <p>2024</p>				

FUTURE PLANS AND [REDACTED]

We will strategically expand our service outlet network to further enhance our service capabilities

We believe that reducing the distance between our service outlets and the client's sites would greatly benefit our business to support future growth. To this end, we plan to reduce such a distance to a target of 30 kilometers for most of our service outlets by reaching around 430 by the end of 2023, and then 500 by the end of 2024. The following map of China represents a geographical distribution of the number of our main bases, and existing and expected future service outlets to be established in China by the end of 2024:



Our selection of sites for our service outlets comprehends a variety of considerations, which include, among others, potential market size, timeliness of responding to customer requests, market competition, logistics costs and rental costs. Whilst we are planning the nation-wide expansion, we will be mindful of focusing our market penetration in national economic areas in China. In summary, our strategy to intensify our efforts in such economic hotspots are based on the economic outlook of such regions, the historical market demand for equipment services, and the potential of reaching more customers at a faster speed when we reduce the distance between potential customer sites and any of our service outlets in the region. For such reasons, we plan to increase our service outlet density in tier-one and tier-two cities in these areas to further increase our market shares in these cities. Even with a market-leading position in these areas, we do believe that there is still immense potential in such cities for future growth, considering the relatively small market share we occupy. Nevertheless, we have also observed a gradual, yet moderate,

FUTURE PLANS AND [REDACTED]

migration of business to tier-three and tier-four cities, which may lead to a shortage of supply of services if such cities only rely on service providers in provincial capitals. In order to future-proof our expansion, certain targeted expansions in such cities are also deemed necessary.

We will optimize our equipment portfolio

We believe that, with the up and coming equipment operation service market, we may be able to boost our growth potential by optimizing our equipment portfolio. By doing so, we further enhance the diversity and quality of our equipment and service portfolio. In addition to the promising industry growth numbers, the utilization of our equipment and material steadily maintained between 67.9% and 80.2% during the Track Record Period, despite the continuous increase in our equipment volume to support our business growth. Our operating leases segment remains the most profitable business segment. Moreover, as we have signed various long-term agreements with customers for our operating leases, combined with our promising growth potential, we believe that our strategic vision to optimize our equipment portfolio for further business growth substantiated.

Our Directors estimate that annual depreciation as a result of the procurement of additional machinery and equipment for each corresponding year under such strategy to be approximately RMB53.5 million, RMB1.6 million and RMB23.2 million, for our aerial work platforms, neo-excavation systems and neo-formwork systems for the year ending December 31, 2023, and approximately RMB75.9 million, RMB41.3 million, and RMB50.2 million, for the year ending December 31, 2024, respectively.

Procuring more aerial work platforms

As aerial work platform is increasingly applied in different construction, operation, reconstruction and maintenance scenarios, including emerging consumer scenarios such as large-scale entertainment and sports events, the demand for aerial work platform operation services in China and southeast Asia is expected to flourish. Therefore, we plan to procure additional aerial work platforms that are in high demand, while selectively entering into re-renting arrangements to further increase the scale of aerial work platforms we manage. The possibilities of applications for aerial work platforms include:

- Plant construction – automobile production plant, food and drug manufacturing facilities, electronics factory, energy and petrochemical plant, etc.;
- Municipal construction – subways, airports, stadiums, hospitals, schools and landmark buildings;
- Commercial real estate – new residential buildings, commercial complexes, restoration of old community, villas and towns;

FUTURE PLANS AND [REDACTED]

- Operation in venues – cultural shows, exhibitions, events;
- Ship-building; and
- Warehousing, logistics, installation and maintenance.

Procure neo-excavation support systems

We believe that with the increasing market emphasis on quality execution of construction works which are also environmentally friendly, our neo-excavation support system is expected to continue to gain popularity. We also believe that a major trend in the development of the construction industry is the use and assembly of pre-fabricated foundation pits, which heavily relies on steel support systems. Considering such market trends, we should adopt high-quality steel-based neo-excavation support systems in our equipment portfolio, to capture such growth opportunities, for the future.

The neo-excavation support systems we plan to add to our portfolio would include those comprising H-steel, steel sheet pile and steel support, as composed to the conventional systems made of either section steel with cover plats, or concrete structures. It has outstanding advantages such as providing large-span excavation space, large supporting capacity, stability and reliability, standardized processing and production of components, reusability, and environmental protection. Moreover, our neo-excavation support system has a flexible structure, high bearing capacity over a large area and a high degree of safety, as compared to the conventional models. We believe that for such reasons stated above, this system would be highly preferred in the future markets in China, and it would be in our strategic benefits to expand our portfolio with this system.

Procure neo-formwork systems such as the ringlock scaffold

Recently, we have seen a progressive increase in contracts with our customers for our neo-formwork systems. We believe that we need to expand into the future and procure more advanced formwork systems such as the ringlock scaffold to meet new market demands. We expect that the "Made in China" initiative will push manufacturers to go through upgrades and in order for China to maintain a world manufacturing power. Moreover, since the implementation of the Work Safety Law of the PRC, various localities have introduced support policies for that support the use of ringlock scaffold. In some large-scale or special engineering projects, the use of such scaffolding would be stipulated in official guidance from the government.

FUTURE PLANS AND [REDACTED]

The ringlock scaffold is technically more advanced and preferred scaffolding products in the world today, with a simple structure, large bearing capacity, stability and reliability, rapid assembly and disassembly, features that are time-saving and labor-saving, materials with strong versatility, safety and efficiency, anti-corrosion and rust prevention. As compared to the steel pipe and fastener scaffold, which is considered to be the standard model in common practice, the ringlock scaffold also has a higher mobility and flexibility while maintaining a high bearing capacity. When used in the long-term, the economic benefits of the ringlock scaffold would be more significant.

We will enhance our one-stop solution capabilities

We believe that there is a commercial need to continue in building up our capabilities in providing a one-stop shop for solutions catering to our customers' needs. Since we began the engineering and technical services segment, we had experienced substantial growth, which shows the benefits of a multi-dimensional services portfolio, especially when we diversified our portfolio to include labor-intensive on-site services. Our revenue generated from engineering and technical services increased from RMB1,062.8 million in 2020 to RMB2,136.6 million in 2022, representing a CAGR of 41.8%. Such growth figures substantiate our strategic vision to expand our solution capabilities for further business growth. In addition, our one-stop solutions will help increase the utilization rate of our equipment and materials, enhance our competitiveness in the market, and establish higher entry barriers in the industry. In particular, we will expand our investment in engineering technology research and development and recruit the related talents to further enhance our one-stop solution capabilities.

We will enhance our operational efficiency through digitalization upgrade

Historically, we have already seen the benefits of the digitization of various aspects of a business. For example, through digitizing the service process for our aerial work platform services, our average service capacity per employee for aerial work platform increased from 20 units in 2016 to 115 units in 2022. Based on such benefits from our previous digitization efforts, we will continue the expansion of our digitization strategy in order to increase our overall operational efficiency, and to prepare ourselves for further business challenges and opportunities.

We believe that a truly efficient digitization strategy should encompass both digitization and automation on a holistic level.

FUTURE PLANS AND [REDACTED]

The following illustrates our future digitization and automation strategy:

Our business operations:

Digitization:

Expand the previous efforts in digitizing from our aerial work platform services to all product and service areas (order placement, review, rental fee calculation, customer reconciliation, invoicing and payment collection, online payment, order tracking, transaction settlement and invoicing).

Automation:

Through design of intelligent analytical software that is tailored to our business model, we will automate aspect of our operations. For example, once an order is placed, we will rely on artificial intelligence to review the orders made, calculate the rental fees and invoice our customers with instructions on payment methods. Once a deposit is made at our bank accounts, our central command system will automatically notify our digitize supply chain of the delivery of equipment to the customer. Sensors and other hardware installed on the equipment will be able to notify our maintenance and repair center should repairs be needed and to dispatch repairmen on site. Automatic reminders for payment and questionnaires for customer satisfaction will also be sent out near the conclusion of a construction project.

Such efforts will require firstly all records being digitized, and an algorithm to analyze such data, and process the commands via a digital infrastructure, with each stage of the business model installed with communicators, receivers and required software. This would require significant investment in cloud data services, IoT related software and hardware, and a sizeable team of software engineers.

Our supply chain management system:

Digitization:

Building on the ERP system that was set up in 2015 and the updated and integrated online operations and management system, SAAS Back-office Management System, the digitizing of the supply chain will also include policies in order management, procurement, logistics, warehousing, depreciation, repairs and maintenance. Such policies will be made readily available online for any staff member. The digitization and communication of such online policies will also be implemented by our current IT staff.

Automation:

The automation of our supply chain will heavily rely on the installation of IoT related hardware on each of our equipment, vehicles and warehouses. Such hardware include sensors, processors, receivers, all connected to the internet via cloud based technology, and being analyzed and managed with an algorithm designed by software engineers. The automation of our supply chain will be able to notify our suppliers when there is a pre-determined need/target to procure materials, and to make the orders automatically. Our inventory control will also be automatically notified whenever certain equipment is rented out, to where it was rented out, and it's condition. By doing so, our online customer service platform will then be able to allow our customers to know the availability of the equipment for rent.

FUTURE PLANS AND [REDACTED]

Our financial control system:

Digitization:

Already in place in terms of digitizing records from paper.

Automation:

We will be subscribing intelligent financial systems created by third-party service providers to automate financial tasks such as payment collection, invoicing, write-off, and journalizing, which will help reduce our labor costs.

Our human resource management system:

Digitization:

Already in place in terms of digitizing records from paper.

Automation:

We will implement a software developed by third-party service providers for our business, to implement a smarter way in managing personnel, attendance, payroll and performance.

To maximise the effects of a digitization strategy, we need further expansion in our talent pool. A new algorithm team will need to be formed, and algorithm engineering talents will be introduced to further explore the value of big data and enrich and optimize intelligent operation scenarios. As currently our IT staff are not of the highest technical standings, and none of them possess the expertise in algorithm and computational engineering that are deemed necessary for the future upgrades, our senior staff will now focus on recruiting experienced talents from the internet, supply chain and construction industries.

Considering the risks of cyberattacks and espionage in this day and age of connectivity, we believe that there is also a need to form a team of cybersecurity specialists to protect our digital infrastructure from sophisticated cyberattacks, as we continue with our digitization strategy. Such a team will consist of regional data security managers, stationed at our main bases or major service outlets, and security specialists teams to be at our digitization research center and also our main bases, to ensure the overall security of our systems. As of the Latest Practicable Date, a data security team of such expertise and scale had not been engaged to be a part of our team.

We will gradually strengthen our research and development capabilities in big data, IoT and artificial intelligence. Our Shanghai research center is used as the headquarters for our digital construction efforts. Its main development activities will include product planning, user experience design, security, big data, algorithms, and mobile research. The Tianjin sub-center is mainly responsible for the research and design of the company's logistics platform, and cooperates with the Shanghai research center to construct the company's digital supply chain system.

FUTURE PLANS AND [REDACTED]

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 indicative [REDACTED] stated in this [REDACTED].

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

To the extent that the [REDACTED] are not immediately applied to the above purposes or if we are unable to effect any part of our future development plans as envisaged, we intend to hold such funds in short-term demand deposits with authorized financial institutions or licensed banks as defined under the Securities and Futures Ordinance or the applicable laws in the PRC for so long as it is deemed to be in the interests of our Company and our Shareholders as a whole.