
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

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

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately HK\$366.2 million after deducting the estimated underwriting fees and the estimated offering expenses payable by us in the Global Offering, and assuming an Offer Price of HK\$45.19 per Share (being the mid-point of the Offer Price range of between HK\$28.92 and HK\$61.46 per Share) and assuming the Over-allotment Option is not exercised, or HK\$437.2 million if the Over-allotment Option is exercised in full. We intend to use the net proceeds we will receive from this offering for the following purposes:

- (a) **Approximately 35% of net proceeds, or approximately HK\$128.2 million, assuming the Over-allotment Option is not exercised, is expected to be used over the next three years for research and development to advance our technological capabilities and drive product innovation.** See “Business—Business Strategies—Keep on Investing in Technology Capabilities”.
- Approximately 15% of net proceeds, or approximately HK\$55.0 million, assuming the Over-allotment Option is not exercised, is expected to be used to continue to attract, retain and incentivize our research and development talents to support our research and development initiatives and product innovation and enhance the integration of self-branded fitness products with our online fitness content, thereby enabling a more seamless experience. We plan to hire new research and development engineers in the next three years, among which 45% are specialized in artificial intelligence, data analysis and technology infrastructure, 30% are specialized in smart fitness device software and hardware research and development and 25% are specialized in online user experience. We typically require an undergraduate degree in computer science or other related fields and professional proficiency in the specialized areas for new hires, and we expect to offer competitive compensation in the market.
 - Approximately 10% of net proceeds, or approximately HK\$36.6 million, assuming the Over-allotment Option is not exercised, is expected to be used to continue to invest in *Keep* smart fitness devices, including conducting continuous research and development and adding new features to our existing offerings, and creating new and innovative products for users with various fitness needs. For example, we plan to continue to integrate our smart fitness devices with real-time motion detection functions to provide a more interactive user experience. In addition, we will focus on the categories of at-home equipment and personal fitness trackers as part of our new product development strategy.
 - Approximately 10% of net proceeds, or approximately HK\$36.6 million, assuming the Over-allotment Option is not exercised, is expected to be used to continue to invest in artificial intelligence, data analysis and technology infrastructure to strengthen our technological capabilities and enhance digital connectivity and interaction among platform participants. For example, we plan to continue to enhance our technology on computer vision, sensors, heart rate, voice recognition, among others, to better assess users’ fitness status and athletic level. In addition, we will continue to upgrade our big data platform to effectively process the information on our platform and enhance our data analytic capabilities. At the same time, we will continue to upgrade our bandwidth and our data

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center to support our increasing user base, and purchase and/or rent servers to build multiple clouds to enhance our service stability.

- (b) **Approximately 30 % of net proceeds, or approximately HK\$109.8 million, assuming the Over-allotment Option is not exercised, is expected to be used over the next three years for the development and diversification of our fitness content.** See “Business—Business Strategies—Keep on Innovating and Diversifying Our Content”.
- Approximately 12% of net proceeds, or approximately HK\$43.9 million, assuming the Over-allotment Option is not exercised, is expected to be used to continue to invest in our in-house, vertically integrated content development capability by increasing the number of recorded fitness courses and live streaming classes and catering to users’ diversified preferences, thereby further driving user engagement. We plan to continue to invest in in-house fitness content development, fitness moves shooting, in-house instructor recruiting and training, and more interactive features in our fitness content, thereby providing a unique and interactive fitness experience to our users. We plan to create more than 100 fitness courses developed in-house each month in the next three years, covering muscle building, HIIT, yoga, meditation, outdoor running, cycling and rowing, among others.
 - Approximately 9% of net proceeds, or approximately HK\$33.0 million, assuming the Over-allotment Option is not exercised, is expected to be used to expand our fitness content library and enrich users’ experience through other innovative initiatives, such as introducing virtual coaches and more gamified features into the fitness content. Virtual coaches are computer-generated coaches that can lead dancing and other fitness courses using AI technology, and gamified features are fun interactions to enhance user engagement and experience during workout sessions. See “Business—Our Content Offerings—Our Recorded Fitness Content—Recorded Video Courses” and “Business—Technology, Research and Development—Insights and Artificial Intelligence”. For example, we plan to offer users virtual characters like those in role-playing games whose body profiles reflect user engagement and fitness progress on *Keep*. Users can obtain better body profiles and virtual apparel and gear through joining more workouts, thereby enhancing the fun on *Keep* platform.
 - Approximately 6% of net proceeds, or approximately HK\$21.9 million, assuming the Over-allotment Option is not exercised, is expected to be used to continue to introduce more specialized content and expand into new fitness categories by cultivating more fitness influencers on our platform and collaborating with more fitness professionals. We plan to further streamline content development process to attract more influencers to enrich our content library. We plan to have thousands of influencers creating fitness courses on *Keep* each month in the next three years and continue to extend our content coverage in ball games, martial arts, dancing and other fitness categories.
 - Approximately 3% of net proceeds, or approximately HK\$11.0 million, assuming the Over-allotment Option is not exercised, is expected to be used to continue to expand our content offerings by purchasing more valuable and exclusive fitness intellectual properties and acquiring qualified third-party content to build competitive moats and satisfy the evolving needs of our users. We will selectively target fitness content that is professionally produced with a large follower base in niche fitness categories. In addition to purchasing more fitness content and obtaining music licenses, we will also collaborate with content providers to create differentiated content for *Keep*.

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- (c) **Approximately 25% of net proceeds, or approximately HK\$91.5 million, assuming the Over-allotment Option is not exercised, is expected to be used over the next three years for the investment in branding and promotion.** Out of this part of net proceeds, in terms of marketing channels, we plan to spend approximately 50% on social media and short video platforms, 20% on long video platforms, 20% on third-party e-commerce platforms, and 10% on outdoor media and other traditional media channels.
- Approximately 12% of net proceeds, or approximately HK\$43.9 million, assuming the Over-allotment Option is not exercised, is expected to be used in user acquisition activities to continue to gain mindshare and attract users across different ages, areas of interest, and locations. See “Business—Business Strategies—Keep on Expanding Our Addressable Market and User Base”.
 - Approximately 10% of net proceeds, or approximately HK\$36.6 million, assuming the Over-allotment Option is not exercised, is expected to be in branding activities used to continue to promote our brand and strengthen its image and influence among users. We will strengthen online branding efforts, including short videos, and sponsor offline activities and public sports facilities. See “Business—Business Strategies—Keep on Increasing Our Brand Value”.
 - Approximately 3% of net proceeds, or approximately HK\$11.0 million, assuming the Over-allotment Option is not exercised, is expected to be used in promotional activities to continue to promote our fitness devices and products through placing ads in social media, holding live streaming promotion sessions and collaborating with other brands, among others.
- (d) **Approximately 10% of net proceeds, or approximately HK\$36.6 million, assuming the Over-allotment Option is not exercised, is expected to be used for general corporate purposes and working capital needs.**

In the event that the Offer Price is set at the maximum Offer Price or the minimum Offer Price of the indicative Offer Price range, the net proceeds of the Global Offering will increase or decrease to approximately HK\$536.7 million and HK\$195.6 million, respectively. If we make an upward or downward offer price adjustment to set the final Offer Price to be above or below the mid-point of the Offer Price range, we will increase or decrease the allocation of the net proceeds to the above purposes on a pro rata basis.

The additional net proceeds that we would receive if the Over-allotment Option were exercised in full would be (i) HK\$96.7 million (assuming an Offer Price of HK\$61.46 per Share, being the maximum Offer Price), (ii) HK\$71.1 million (assuming an Offer Price of HK\$45.19 per Share, being the mid-point of the Offer Price range) and (iii) HK\$45.5 million (assuming an Offer Price of HK\$28.92 per Share, being the minimum Offer Price).

To the extent that the net proceeds from the Global Offering (including the net proceeds from the exercise of the Over-allotment Option) are either more or less than expected, we may adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

To the extent that the net proceeds of the Global Offering are not immediately required for the above purposes or if we are unable to put into effect any part of our plan as intended, we will hold such funds in short-term deposits with licensed banks and/ or authorized financial institutions (as defined under the Securities and Futures Ordinance) so long as it is deemed to be in the best interests of the

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Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

Since we are an offshore holding company, we will need to make capital contributions and loans to our PRC subsidiaries or through loans to our Consolidated Affiliated Entities such that the net proceeds of this offering can be used in the manner described above. Such capital contributions and loans are subject to a number of limitations and approval processes under PRC laws and regulations. There are no costs associated with registering loans or capital contributions with relevant PRC authorities, other than nominal processing charges. Under PRC laws and regulations, the PRC governmental authorities are required to process such approvals or registrations or deny our application within a prescribed period, which are usually less than 90 days. The actual time taken, however, may be longer due to administrative delay. We cannot assure you that we can obtain the approvals from the relevant governmental authorities, or complete the registration and filing procedures required to use our net proceeds as described above, in each case on a timely basis, or at all. This is because PRC regulation of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from using the proceeds of this offering to make loans or additional capital contributions to our PRC subsidiaries or Consolidated Affiliated Entities, which could materially and adversely affect our liquidity and our ability to fund and expand our business.