FUTURE PLANS

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

USE OF [REDACTED]

Assuming an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the indicative **[REDACTED]** range stated in this document), and after deducting the **[REDACTED]** commissions and other estimated expenses payable by us in connection with the **[REDACTED]**, and assuming the **[REDACTED]** is not exercised, we estimate that we will receive net **[REDACTED]** of approximately HK$**[REDACTED]** million from the **[REDACTED]**. We intend to use the net **[REDACTED]** from the **[REDACTED]** for the following purposes:

- Approximately **[REDACTED]**% of the net **[REDACTED]** (HK$**[REDACTED]** million) will be used for new technology research and product development in new application areas to maintain our leadership position in the millimeter-wave radar industry. Specifically:

  - Approximately **[REDACTED]**% (HK$**[REDACTED]** million) will be used for R&D in AI technologies, including increasing our computing power through (i) the purchase of 20 GPU servers, each equipped with eight A100 graphics cards, and 20 CPU servers, each equipped with at least two cutting-edge processors; (ii) training radar-specific AI models that applies AI and deep learning technology to radar point cloud detection network, tackling the corner case issues of radars, improving radar sensitivity, and strengthening radar sensing functions; and (iii) accelerating implementation of our "Radar + AI" strategy to enable differentiated advantages in smart driving and emerging sectors.

  - Approximately **[REDACTED]**% (HK$**[REDACTED]** million) will be used to upgrade and iterate our automotive millimeter-wave radar product offerings, including (i) the development of next-generation centralized computing radar hardware platforms. With better performance, lower system cost, and easier system debugging, centralized computing radar is easier to maintain and more scalable; and (ii) standardization of software platforms, which consists of modular radar-specific algorithms and software architectures, consolidating various reusable core functions. The high efficiency of these hardware and software platforms are expected to support advanced smart driving project delivery.

  - Approximately **[REDACTED]**% (HK$**[REDACTED]** million) will be used for research in new radar technologies, particularly in phased array radar and interoceptive radar, focusing on new materials, RF antenna innovation, high-frequency signal modules, and radar algorithms applicable to smart driving scenarios.

  - Approximately **[REDACTED]**% (HK$**[REDACTED]** million) will be used for extending products to diversified industry applications, such as high-precision industrial measurement, and low-altitude economy. We aim to expand beyond the automotive sector to these emerging areas, and through developing different radar products with new technologies, such as central computing radar, radar-AI integration, and phased array antenna, becoming a "full-scenario perception solution provider."

- Approximately **[REDACTED]**% of the net **[REDACTED]** (HK$**[REDACTED]** million) will be used to supplement testing equipment and upgrade production lines to enhance our product testing and manufacturing capabilities:

  - o Approximately **[REDACTED]**% (HK$**[REDACTED]** million) will be used to establish feasibility and Electromagnetic Compatibility (EMC) laboratories in accordance with China National Accreditation Service for Conformity Assessment (CNAS) standards and acquire AI data collection and simulation verification systems.

  - o Approximately **[REDACTED]**% (HK$**[REDACTED]** million) will be used to upgrade radar production lines for manufacturing of 4D corner radars in preparation of the launch of centralized computing radars in 2026, including assembly, calibration and test equipment. Particularly, [4.3%] will be used to procure AIoT, Automated Guided Vehicle (AGV) automation equipment, and SMT assembly equipment to further digitalize our Shenzhen production base and improve manufacturing efficiency to achieve an increased annual production capacity of over 11 million units.

- Approximately **[REDACTED]**% of the net **[REDACTED]** (HK$**[REDACTED]** million) will be used for marketing and sales channel development:

  - o Approximately **[REDACTED]**% (HK$**[REDACTED]** million) will be used to strengthen relationships with OEMs and expand our customer base by building out our China-based sales and technical support team, including (i) 11 sales personnel covering key account customers in the PRC automotive sector, overseas market expansion and emerging market development, and (ii) 10 technical support personnel possessing industry experience in automotive, industrial measurement or automated robotics, and issue-spotting and problem-solving capabilities; and increasing brand visibility both domestically and internationally.

  - o Approximately **[REDACTED]**% (HK$**[REDACTED]** million) will be used to build channels for new customers and industries with some potential industries of exploration being robotics, transportation safety, industrial measurement, and the low-altitude economy with the aim to diversify our customer portfolio. See "Business – Our Relationship with Customer A – Diversification of Customer Base and Revenue Stream". We plan to recruit product managers with domain expertise and global perspective to accelerate business penetration in these fields.

- Approximately **[REDACTED]**% of the net **[REDACTED]** (HK$**[REDACTED]** million) will be used for strategic mergers and acquisitions or strategic investments. We intend to acquire targets with high synergy in the upstream and downstream of the radar and AI value chain to strengthen our scale, market presence, and technical capability. We focus on high-potential targets with strong technology foundations, solid R&D teams, and a high degree of strategic alignment. The target companies should have (i) an annual revenue of at least RMB4.0 million or, for pre-revenue companies, ownership of technologies in key components and proprietary technologies; (ii) a R&D team of over 10 staff dedicated to radar, AI development or radar applications; (iii) owned more than three patents/copyrights in radar hardware or AI software; and/or (iv) ability to cross-sell to our existing customer base or proof-of-concept deployments or partnerships with industry leaders validating their technology. Non-exhaustive examples include upstream targets and downstream targets. See "Business – Our Development Strategies – Drive Expansion through Strategic Mergers and Acquisitions." According to CIC, there are over 500 available potential targets that meet our criteria. We target to improve our gross profit margin by 10% if we acquire upstream targets which engage in manufacturing key raw materials of our products. By acquiring downstream targets, we will be able to extend our business to industries other than the automotive sector, diversify our product portfolio, thereby improving our revenue rapidly.

- Approximately **[REDACTED]**% of the net **[REDACTED]** (HK$**[REDACTED]** million) will be used to repay a portion of our existing bank loans from PRC commercial banks which are used for our working capital purpose, comprising (i) the outstanding balance of RMB10.0 million of a bank loan with an interest rate of 2.40% per annum and maturity date of August 17, 2026; (ii) the outstanding balance of RMB30.0 million of a bank loan with an interest rate of 2.60% per annum and maturity date of July 22, 2026; (iii) the outstanding balance of RMB10.0 million of a bank loan with an interest rate of 2.70% per annum and maturity date of June 5, 2026; and (iv) the outstanding balance of RMB30.0 million of a bank loan with an interest rate of 2.60% per annum and maturity date of September 2, 2026; and this is expected to reduce our leverage ratio, optimize capital structure, improve operating efficiency, and enhance our financial flexibility. We will use the cash generated from operating activities to repay the remaining outstanding bank loans.

- Approximately **[REDACTED]**% of the net **[REDACTED]** (HK$**[REDACTED]** million) will be used to supplement our working capital.

Should the **[REDACTED]** be exercised, we intend to use the additional net **[REDACTED]** on a pro rata basis for the purposes set out above. To the extent that the net **[REDACTED]** from the **[REDACTED]** are either more or less than expected, we may adjust the above allocations on a pro rata basis. For **[REDACTED]** that are not immediately used in accordance with the specified plans, we may only deposit such **[REDACTED]** into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions).