FUTURE PLANS

Please see "Business — Our Strategies" for a detailed description of our future plans.

USE OF [REDACTED]

We estimate that we will receive [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**], after deducting [**REDACTED**], fees and estimated expenses payable by us in connection with the [**REDACTED**], assuming no [**REDACTED**] is exercised and an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the midpoint of the indicative [**REDACTED**] range stated in this document.

In line with our strategies, we intend to use the [**REDACTED**] for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

- Approximately [**REDACTED**]%, or approximately HK$[**REDACTED**], of the [**REDACTED**] will be allocated for R&D initiatives, aiming to drive technological innovation and iteration, enrich and optimize our product portfolio, and establish a multi-dimensional product matrix. We believe such investment will enable us to broaden our range of chip products and SoC solutions, expand the scope of end applications, and capture opportunities in emerging markets such as smart automotive, robotics, AI glasses and motion imaging devices. At the same time, it will support rapid technological advancement and help us maintain our industry leadership. Specifically:

  (i) Approximately [**REDACTED**]%, or approximately HK$[**REDACTED**], of the [**REDACTED**] will be used for the development of vision AI SoC. According to Frost & Sullivan, the global shipments of vision AI SoC is expected to grow from 246.0 million in 2024 to 954.3 million in 2029, with a CAGR of 31.1%, primarily driven by the rapidly growing demand of edge devices for vision intelligence across various scenarios, including smart security, robotics, smart automotive and motion imaging devices such as AI glasses. Our objective is to continue advancing the R&D of vision AI SoCs, integrating AI capabilities into all vision SoCs, updating and upgrading existing products, and launching new SoC models in response to market needs, ensuring we stay current with technological innovation and market relevance. In particular, we aim to continue to strengthen core IP and SoC design capabilities with targeted breakthroughs in ISP for motion imaging, NPU, high-resolution and high-frame-rate video encoding and decoding, low-power architectures and advanced process nodes SoC technology. We believe this will help us build a tiered portfolio of high-, mid- and entry-level edge vision SoCs tailored to varied market demands and diverse application scenarios, thereby enhancing our vision AI SoC portfolio and reinforcing our leadership in the era of edge AI applications.

  We plan to retain, expand, and strengthen our R&D team, recognizing that the semiconductor industry is highly talent-intensive. In the next five years, we plan to attract and retain around 109 additional R&D talents with relevant knowledge and expertise, as well as talents from prestigious universities with relevant degrees.

Additionally, the [**REDACTED**] will support critical R&D activities for the development of vision AI SoC and cover associated costs and expenses, including IP and software licensing fees, mask and material expenses for chip tape-out, service fees for pre-silicon validation, and the acquisition of key equipment such as testers, simulation systems and servers.

(ii) Approximately [**REDACTED**]%, or approximately HK$[**REDACTED**], of the [**REDACTED**] will be used for the development of 3D perception SoC, mainly the LiDAR SPAD SoC. According to Frost & Sullivan, the global shipments of LiDAR SPAD SoC is anticipated to expand from 0.4 million in 2024 to 12.3 million in 2029, with a CAGR of 98.4%, primarily attributable to the unique advantages of SPAD-SoCs and increasing shipments of LiDAR for automotive, robotics and industrial settings. LiDAR SPAD SoCs is essential for broadening our product offering, enhancing our ability to deliver next-generation perception solutions. We plan to continue R&D on LiDAR SPAD SoCs, focusing on improvements in accelerated data acquisition, lower power consumption, miniaturization and system integration, introduce new 3D perception SoC such as front and rear long-range radar and short-range blind-spot radar SoCs, and build a full range of high-, mid- and entry-level products to meet market demand.

To support these initiatives, we aim to expand and strengthen our R&D team by attracting and retaining approximately 27 additional R&D professionals possessing relevant knowledge and expertise in the next five years. We also seek to recruit talents from prestigious universities with relevant academic backgrounds. The [**REDACTED**] will also be used to fund essential R&D activities for the development of 3D perception SoC and cover related costs and expenses.

- Approximately [**REDACTED**]%, or approximately HK$[**REDACTED**], of the [**REDACTED**] will be allocated for strategic investments and/or acquisition to fulfill our long-term growth objectives and further strengthen our overall competitive position. Our focus will be directed toward identifying and pursuing opportunities involving companies whose products and technologies can create strong synergies with, or serve as valuable complements to, our existing portfolio, across three dimensions — technology, application scenarios and market development. From a technology perspective, we plan to acquire core IP assets and key technologies to close gaps, strengthen our technical moat, help us shorten R&D cycles and keep pace with rapid AI model changes, while integrating with our 3D perception and connectivity capabilities to deliver optimized end-to-end solutions and better system performance. From an application perspective, we expect the investments and acquisitions to help us enter new application scenarios and industry verticals, deepen penetration in existing segments and strengthen cross-selling by pairing our SoCs with complementary products and solutions to meet customer needs holistically. From a market development perspective, strategic acquisitions of industry solution providers and other ecosystem partners are expected to accelerate our entry into target markets, improve access to core customers and enhance our product support and service capabilities. We believe this approach will enhance our ability to deliver hardware-software integrated turnkey solutions to our customers, in line with our core frameworks of "perception + computation + connectivity." As of the Latest Practicable

Date, we had not identified any specific targets for acquisitions or investments, or entered into any investment agreement, to which we will apply these [**REDACTED**]. Specifically, our potential investment and acquisition targets are expected to: (i) possess robust technical capabilities that complement and strengthen our own, enabling us to achieve greater technological synergy and further enrich our core IP libraries; (ii) offer products that optimize our existing portfolio and address gaps in our product matrix, thereby expanding our customer base, facilitating entry into new application scenarios and seizing new growth opportunities; (iii) have mature, market-proven products that can rapidly advance our emerging business sectors and accelerate market penetration; and (iv) the management team of the target should have knowledge and extensive relevant experience in the IC design industry

We do not impose jurisdictional limits and will evaluate opportunities across both upstream and downstream segments, with near-term priority areas including RF connectivity, AI algorithms, foundational models, high-performance compute, embodied intelligence, autonomous driving, edge computing and AI inference.

According to Frost & Sullivan, it is estimated that there are over 200 potential investment and acquisition targets that meet our selection criteria set forth above.

- Approximately [**REDACTED**]%, or approximately HK$[**REDACTED**], of the [**REDACTED**] will be allocated as a supplement to the working capital and other general corporate purposes, providing us with sufficient financial flexibility to address ongoing operational needs and maintain stability in unforeseen circumstances.

The table below sets forth the expected implementation timetable of our planned use of our [**REDACTED**]:

	Period from the [REDACTED] to December 31,	Year Ended December 31,				
	2026	2027	2028	2029	2030	Total
	(HK$ in millions)					
R&D						
Development of vision AI SoC						
Retain, expand, and strengthen our R&D team	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Chip tape-out expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other R&D expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Subtotal	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Development of 3D perception SoC						
Retain, expand, and strengthen our R&D team	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Chip tape-out expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other R&D expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Subtotal	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

	Period from the [REDACTED] to December 31,	Year Ended December 31,				
	2026	2027	2028	2029	2030	Total
	(HK$ in millions)					
Strategic investments and/or acquisition[(1)]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Working capital and general corporate purposes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Note:

(1) The implementation timeline for strategic investments and/or acquisition depends on investment and acquisition opportunities and the selection process based on our selection criteria.

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 estimated [**REDACTED**] range.

If the [**REDACTED**] is set at HK$[**REDACTED**] per [**REDACTED**], being the high end of the indicative [**REDACTED**] range, the [**REDACTED**] from the [**REDACTED**] will increase by approximately HK$[**REDACTED**]. If the [**REDACTED**] is set at HK$[**REDACTED**] per [**REDACTED**], being the low end of the indicative [**REDACTED**] range, the [**REDACTED**] from the [**REDACTED**] will decrease by approximately HK$[**REDACTED**]. [**REDACTED**] may be fixed at a higher or lower level compared to the midpoint of the indicative [**REDACTED**] range stated in this document.

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 [**REDACTED**] (being the midpoint of the indicative [**REDACTED**] range). In the event that the [**REDACTED**] is exercised in full, we intend to apply the additional [**REDACTED**] to the aforementioned purposes in the proportions mentioned above.

To the extent that our [**REDACTED**] are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash available on hands, bank loans and other borrowings.

If the [**REDACTED**] of the [**REDACTED**] are not immediately used for the purposes described above, to the extent permitted by the relevant laws and regulations, we will only deposit the [**REDACTED**] into short-term interest bearing accounts at licensed commercial banks and/or other authorized financial institutions as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions, as long as it is deemed to be in the best interest of the Company. We will comply with all disclosure requirements under the Listing Rules if there is any change to the above proposed use of [**REDACTED**].