FUTURE PLANS

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

USE OF [REDACTED]

Assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the midpoint of the stated range of the **[REDACTED]** of between HK$**[REDACTED]** and HK$**[REDACTED]** per **[REDACTED]**), we estimate that we will receive net **[REDACTED]** of approximately HK$**[REDACTED]** million from the **[REDACTED]** after deducting the **[REDACTED]** and other estimated expenses in connection with the **[REDACTED]**.

We intend to use the net **[REDACTED]** we expect to receive from the **[REDACTED]** for the purposes and in the amounts set out below.

- Approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be allocated to the R&D of our hardware enabler *Hy³CAN*, software platform *IFIE*, AI inference chips and related products, NPU product *Nova*, and related technologies, including:

  - Approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be allocated over the next four years for attracting, retaining and cultivating our R&D team. The development of our AI inference chips and related products primarily replies on the design and development work performed by our high-qualified R&D personnel utilizing our technologies and equipment. Specifically,

    (1) approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used for engineer recruitment and retention at a ratio of approximately two-to-one to develop AI inference chip-related products, including primarily *DeepEdge*, and our major product candidates *DeepVerse* and *DeepXBot*. We will also further develop our acceleration cards and hyper-scale computing nodes featuring cutting-edge thermal management and high-speed interfaces to deliver computing resources across various application scenarios, such as large model inference and intelligent computing of enterprise-class and industry-class, high-density video analysis, video transcoding, and video compliance review. We expect the planned upgrades to our AI inference chip series to bring better computational efficiency, scenario-specific performance, and scalability across deployments. Concurrently, we expect the planned upgrades to our acceleration cards and hyper-scale computing nodes to ensure our AI inference chips deploy reliably at scale, providing customers with products and services that reduce latency, improving energy efficiency, and lowering costs. Specifically, we plan to recruit (1) approximately 130 product or chip solution engineers holding bachelor's degree or higher in computer science, electronics, telecommunications, or a related field, with more than three years of relevant work experience, and (2) approximately 80 chip engineers and algorithm engineers holding master's degree or higher in the same fields, with more than five years of relevant work experience;

    (2) approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used for engineer recruitment and retention at a ratio of approximately two-to-one to strengthen our software development capability in heterogeneous computing and hardware adaptation, distributed deployment of large models, and performance analysis and tuning by enhancing our hardware enabler *Hy³CAN* and software platform *IFIE* to develop a comprehensive AI inference toolchain and software stack to streamline model deployment and optimization. Specifically, we plan to recruit (1) approximately 110 software engineers holding bachelor's degree or higher in computer science, electronics, telecommunications, or a related field, with more than three years of relevant work experience, and (2) approximately 50 compiler engineers holding master's degree or higher in the same fields, with more than five years of relevant work experience; and

(3) approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used for engineer recruitment and retention at a ratio of approximately one-to-one to optimize architecture design and algorithm for our NPU product *Nova* to deliver more efficient performance with lower power consumption. We will focus on key technology breakthroughs including primarily *Near-memory Hyper-converged Architecture* technology to improve computational efficiency and develop reusable, customizable *Nova* serving as the foundation for our AI inference chips. Specifically, we plan to recruit approximately 50 processor engineers holding master's degree or higher in computer science, electronics, telecommunications, or a related field, with more than five years of relevant work experience;

We believe there are sufficient talents in the market that can meet our qualifications abovementioned. We plan to attract and retain talents primarily through (1) competitive compensation package augmented by equity incentives, (2) dedicated funding for employees' continuous professional development, (3) investments in state-of-the-art research infrastructure and equipment, (4) assisting employees with applications for government talent policies, welfare housing, commercial insurance, and other benefits, and (5) offering flexible work arrangements regarding both time and location.

- Approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used for chip tape-out to facilitate iterations of our AI inference chips, achieve performance breakthrough in next-generation chips, and accelerate commercial deployment for data centers, smart devices, and robots. Specifically, we plan to develop chip microarchitecture and specialized instruction sets, enhancing algorithm-chip compatibility and computational efficiency. Specifically, we plan to enhance algorithm-chip compatibility and computational efficiency of our AI inference chips by optimizing the chip microarchitecture and verifying it through chip tape-out and post-testing with specialized instruction sets. This initiative differs from the optimization of the architecture design and algorithm for our NPU product *Nova*, primarily because the former involves chip tape-out and post-testing validation, whereas the latter focuses on design optimization—representing different stages in the R&D process;

- Approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used for IP licensing-in services primarily in relation to processor, high-speed interface and multimedia processing technologies to expedite our chip design and development process and shorten our R&D cycle. Specifically, our IP licensing-in strategy focuses on acquiring certain semiconductor technologies including those in processor architectures, bus interfaces, high-speed protocols, and multimedia processing. Our approach targets IPs that demonstrate robust performance and power efficiency, and are compatible with our design flow and process nodes. We have a proven track record of successfully integrating licensed IPs, such as processors and high-speed interface IP, into previous generations of our AI inference chips. As of the Latest Practicable Date, we had not identified any specific IP targets, while we plan to pursue the licensing of high-speed interface IPs and high-speed interconnect IPs, all both of which are widely adopted industry standards; and

- Approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used for investment in R&D equipment and other related expenses, primarily including purchasing emulator, and server equipment to enhance our overall R&D capabilities, achieving key technological breakthrough and enriching our reserve of cutting-edge technologies. Specifically, the procurement of emulators and servers will accelerate our R&D cycle by enabling early software development and validation long before chip tape-out. Emulators and servers will facilitate real-world workload testing and pre-manufacturing firmware debugging, reducing time-to-market and ensuring architectural decisions are empirically validated against target AI inference chips prior to fabrication;

- Approximately **[REDACTED]**%, or HK$**[REDACTED]** million will be used to pursue strategic investment and acquisition opportunities. We intend to actively identify and prudently evaluate potential targets that may offer strategic synergies to complement our business. For instance, we plan to invest in or acquire downstream targets to enable more cross-scenario deployment of our AI inference chips, further enriching our deployment experience. These strategic investments or acquisitions will support our long-term AI-centric development strategy, enhance our technology capabilities, expand our product portfolio, grow our customer base and strengthen our partner ecosystem. When assessing potential targets, we will evaluate key factors including historical operational and financial performance, the scale of business, technological synergies with us, growth potential, strategic alignment with us, customer networks, management teams, and valuation. The non-exhaustive examples of desired targets include (1) companies in downstream industries such as AI glasses, service robots and other smart devices, which will further enhance our deployment experience, (2) companies with strong R&D capabilities in algorithm and chip development, which will further strengthen our technology capabilities, and (3) leading companies in their respective market sectors with synergy effects with us and annual revenue of at least RMB50.0 million. According to the CIC Report, there are over 1,500 and over 3,000 potential targets which satisfy our criteria in China and overseas markets, respectively. As of the Latest Practicable Date, we had not identified any investment or acquisition target or entered into any definitive investment or acquisition agreement;

- Approximately **[REDACTED]**%, or HK$**[REDACTED]** million will be allocated to strengthen our sales and marketing capabilities and reinforce our brand image through online and offline initiatives. For offline initiatives, we intend to participate in or sponsor activities such as industry exhibitions, product launches, professional forums, and targeted sponsorships to amplify our brand visibility. For online initiatives, we intend to promote our products and services primarily of consumer-class scenario, and raise our brand awareness among broader customer base through online campaigns partnering with leading social media platforms and KOLs. Specifically, we plan to elevate the brand value of our brands such as *Dr. LookAi*, and promote our consumer-class products, such as *Dr. LookAi Learning Camera* and *Dr. LookAi Companion Dog*, through collaborations with leading social media platforms and KOLs. By co-creating engaging content, we aim to strengthen user engagement, enhance brand communication, and ultimately expand our customer base; and

- Approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used for working capital and other general corporate purposes.

The above allocation of the **[REDACTED]** will be adjusted on a pro rata basis in the event that the **[REDACTED]** is fixed below or above the mid-point of the indicative **[REDACTED]**. We will receive net **[REDACTED]** of HK$**[REDACTED]** million assuming an **[REDACTED]** of HK$**[REDACTED]** (being the low-point of the indicative range of the **[REDACTED]**), and net **[REDACTED]** of HK$**[REDACTED]** million assuming an **[REDACTED]** of HK$**[REDACTED]** (being the high-point of the indicative range of the **[REDACTED]**), without the exercise of the **[REDACTED]** and no additional Shares are issued pursuant to our Share Incentive Schemes. Any additional **[REDACTED]** received from the exercise of the **[REDACTED]** will also be allocated to the above purposes on a pro rata basis. In the event that the **[REDACTED]** is exercised in full, we will receive net **[REDACTED]** of HK$**[REDACTED]** million (after deducting the estimated **[REDACTED]** and other fees and **[REDACTED]** payable by us in connection with the **[REDACTED]** and assuming an **[REDACTED]** of HK$**[REDACTED]** per Share, being the mid-point of our indicative **[REDACTED]**).

If the net **[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 deposit the net **[REDACTED]** into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the **[REDACTED]** or applicable laws and regulations in other jurisdictions), as long as it is deemed to be in the best interests of the Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.