FUTURE PLANS

See "Business — Our Strategies" for a detailed description of our future business plans and strategies.

USE OF [REDACTED]

We estimate that we will receive [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**], after deducting estimated [**REDACTED**], fees and expenses payable by us in connection with the [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the [**REDACTED**] of HK$[**REDACTED**] to HK$[**REDACTED**] per Share, and assuming the [**REDACTED**] is not exercised.

We currently intend to apply the [**REDACTED**] from the [**REDACTED**] for the following purposes:

- Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**], will be allocated to establishing new sales centers or upgrading existing sales centers to flagship sale centers in core domestic and overseas used car consumer markets to expand our self-operated network coverage. Specifically:

  - Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**], will be used to recruit and incentivize experienced management personnel, professional vehicle condition testing personnel and dedicated sales personnel for new sales centers or flagship sales centers, to reach a broader potential user group and respond quickly to local market demands.

  - Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**], will be used to rent venues for new sales centers.

  - Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**], will be used to renovate the venues, procure testing equipment and display facilities, and support maintenance matters for new and existing sales centers.

- Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**], will be allocated to the comprehensive upgrade of our marketing system and brand promotion capabilities. Specifically:

  (i) Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**], will be used to increase online marketing and promotion efforts. This includes conducting precise traffic procurement and advertising on special livestreaming events held on internet platforms to enhance the exposure of vehicle sources on the platforms and strengthen efficiency of reaching potential users.

  (ii) Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**], will be used to expand our brand awareness and influence. This includes: (a) brand promotion video production; and (b) advertising and brand promotion on both traditional and online media.

- Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**], will be allocated to investment in technological research and development to further enhance our data analysis and AI algorithm capabilities, aiming to optimize and upgrade our Taocheche AI Brain. Such use of [**REDACTED**] is expected to include the following areas:

  (i) Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**], will be used to incentivize, attract and cultivate high-end technical talent teams. This includes recruiting professional R&D personnel in key technical fields such as AI algorithms, software development, and data analysis, and refining our R&D organizational structure to strengthen our capabilities in AI intelligent decision-making and intelligent transaction links.

  (ii) Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**], will be used to upgrade our information technology infrastructure. This includes the procurement of hardware and software services such as high-performance servers, cloud service resource expansion, and network bandwidth upgrades, to improve the processing efficiency and security of massive vehicle condition and user transaction data.

- Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**], is expected to be used for strategic acquisitions and investments in China and overseas. This includes acquiring or investing in businesses that are complementary to, or that reinforce, our used vehicle transaction platform, as well as new businesses or technologies that can enhance our service offerings, including capabilities in AI-driven pricing and self-operated business models.

- Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**], is expected to be used for working capital and general corporate purposes to support liquidity needs for daily operations and business development.

If the [**REDACTED**] of the [**REDACTED**] are not immediately applied to the above purposes, we will only deposit those [**REDACTED**] into short-term interest-bearing bank 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).

If the [**REDACTED**] is set at HK$[**REDACTED**] per Share, being the high end of the [**REDACTED**], the [**REDACTED**] from the [**REDACTED**] will increase to approximately HK$[**REDACTED**]. If the [**REDACTED**] is set at HK$[**REDACTED**] per Share, being the low end of the [**REDACTED**], the [**REDACTED**] from the [**REDACTED**] will decrease to approximately HK$[**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 [**REDACTED**] 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 Share (being the mid-point of the [**REDACTED**]). In the event that the [**REDACTED**] is exercised, we intend to apply the additional [**REDACTED**] to the above purposes in the proportions stated above.

If any part of our plan does not proceed as planned for reasons such as changes government policies that would render any of our plans not viable, or the occurrence of force majeure events, our directors will carefully evaluate the situation and may reallocate the [**REDACTED**] from the [**REDACTED**].

We will issue an appropriate announcement if there is any material change to the above proposed use of [**REDACTED**].