FUTURE PLANS

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

[REDACTED]

We estimate that we will receive **[REDACTED]** from the **[REDACTED]** of approximately **[REDACTED]**, after deducting the estimated **[REDACTED]** and other estimated **[REDACTED]** expenses in connection with the **[REDACTED]**, assuming that an **[REDACTED]** of **[REDACTED]** per Share (being the **[REDACTED]** of the indicative **[REDACTED]** range stated in this document) and assuming that the **[REDACTED]** and the Pre-**[REDACTED]** Share Option Scheme are not exercised.

In line with our strategies, we intend to apply the **[REDACTED]** from the **[REDACTED]** for the following purposes and in the amounts set forth below:

- approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]**, will be used to continuously enhance our R&D capabilities and products and solutions provision in the next five years.

  In particular,

  (i) approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]** million, will be used to invest in R&D of our new GNSS chips such as ultra-low-power GNSS chips for IoT and wearable devices, automotive-grade high-precision GNSS chips for intelligent driving, the BeiDou short message chips for consumer markets, and integrated satellite navigation and communication chips that combine BeiDou short messages with GNSS navigation functions.

  To achieve the plans above, we plan to allocate approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]** million, for the expenses of our R&D personnel to carry out the above R&D projects, including the recruitment of approximately 18 additional R&D personnel, including IC design engineers, senior GNSS algorithm engineers and multi-source fusion algorithm engineers, in Chinese Mainland over the next five years.

  We also plan to allocate approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]** million, for the related expenses of different R&D stages, such as multi-project wafer (MPW) tape out fees, full-mask tape out fees, raw material costs, testing, laboratory and processing fees, R&D outsourcing fees, and IP costs, to carry out the above R&D projects over the next five years.

  (ii) approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]**, will be used to invest in R&D of GNSS solutions and core algorithms for our future business expansion such as an integrated SoC chip featuring seamless indoor-outdoor multi-source fusion positioning, and the application of AI and edge computing to refine navigation algorithms.

  To achieve the plans above, we plan to allocate approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]**, for the expenses of our R&D personnel to carry out the above R&D projects, including the recruitment of approximately 11 additional R&D personnel comprising of indoor navigation and positioning algorithm engineers, AI algorithm engineers and software test engineers, in Chinese Mainland over the next five years.

  We also plan to allocate approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]**, for the related expenses of different R&D stages, such as MPW tape out fees, full-mask tape out fees, raw material costs, testing, laboratory and processing fees, R&D outsourcing fees, and IP costs, to carry out the above R&D projects over the next five years.

  (iii) approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]** million, will be used to further strengthen our hardware and software capabilities in chip R&D, improve the R&D environment and enhance our R&D efficiency.

To achieve the plans above, we plan to allocate approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]**, for the procurement of chip design software and tool licenses. We also plan to allocate approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]**, for the upgrade of our cloud R&D environment and approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]**, for the procurement of other R&D equipment and materials.

- approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]**, will be used for the establishment of joint ventures with our partners and strategic investments and/or acquisitions of technology solution companies and semiconductor companies. Specifically, we plan to establish joint ventures with companies that have competitive advantages in emerging application fields, including intelligent driving, low-altitude economy applications, in order to expand our market share in these industry. We also plan to acquire or invest in technology solution companies to expand our access to innovative chip technologies, algorithm technologies, and multi-source fusion positioning technologies to enhance the competitiveness of our core technologies, expand our market share, and increase our revenues. In addition, we plan to acquire or invest in semiconductor companies to expand the integration and application of satellite communications and inertial navigation technologies centered on GNSS chips.

  As of the Latest Practicable Date, we have not identified any specific targets or determined the form of cooperation. Depending on our business needs and market conditions at the relevant time, we may pursue different forms of collaboration, including joint ventures, acquisitions or minority investments. Accordingly, we have not earmarked a specific portion of the **[REDACTED]** for joint venture arrangements.

  While we will continue to evaluate potential acquisition targets, we had not identified any specific acquisition targets as of the Latest Practicable Date. In identifying potential investment and acquisition targets, we intend to focus on technology companies with high-quality teams of no more than 100 personnel. Specifically, we are evaluating companies (i) with strong R&D capabilities in high-precision positioning, multi-source fusion and indoor positioning algorithms to enhance our algorithmic strengths; (ii) with differentiated expertise in chip design, particularly in weak signal processing and low-power design, that can create strategic synergies with our core chip business; (iii) with established solution capabilities in niche application fields that can complement and broaden our product and service offerings; and (iv) with global marketing channels and resources that can accelerate our international expansion. According to CIC, there are a number of potential targets of this scale in China, and we are currently conducting preliminary market research but have not entered into substantive negotiations with any specific party as of the Latest Practicable Date.

  We will conduct appropriate commercial and technical due diligence and internal evaluation, including assessment of expected synergies, financial returns and associated risks, prior to entering into any such arrangements. Where we do not obtain a controlling interest in the relevant entities, we intend to implement appropriate governance arrangements to safeguard our interests to the extent practicable. We believe that such investments and acquisitions would allow us to strengthen our core technologies, diversify our application scenarios and accelerate our global market penetration, thereby generating synergies to support long-term revenue growth.

- approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]**, will be used to expand the sales network of our GNSS products and solutions. Domestically, we plan to establish new sales branches in Xi'an and Chongqing to support major customers located in these regions and further penetrate into local markets in such regions and customer technical service centers to provide better technical support to our customers. Internationally, we plan to establish sales centers across Europe, Japan, South Korea, India, and Southeast Asia, and recruit local sales and marketing personnel, targeting top-tier international customers.

  In particular,

(i) approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]**, will be used for the recruitment of additional product applications specialists and sales engineers with knowledge in computer science, information science, automation, electronics and other related fields domestically and internationally over the next five years. Specifically, we plan to recruit eight product applications engineers and eight sales engineers in Chinese Mainland, nine product applications engineers and eight sales engineer in Asia, and eight product applications engineers and eight sales engineer in Europe.

(ii) approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]**, will be used to (a) expand and improve our sales network in China, including the establishment of sales branches in Xi'an and Chongqing and customer technical service centers in China; and (b) establish sales centers and customer technical service centers across Europe, Japan, South Korea, India, and Southeast Asia in order to expand our international sales network and acquire top-tier international customers, over the next five years. In particular, we believe that the establishment of the customer technical service centers will enable our on-field applications engineering team to intervene and provide customized solutions to meet diverse customer needs, facilitating the transition from design-in to design-win.

- approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]**, 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 at a higher or lower level compared to the **[REDACTED]** of the estimated **[REDACTED]** range.

If the **[REDACTED]** is determined at **[REDACTED]** per Share, being the **[REDACTED]** of the indicative **[REDACTED]** range, after deducting **[REDACTED]**, fees and estimated expenses payable by us in connection with the **[REDACTED]**, we will receive **[REDACTED]** of approximately **[REDACTED]**.

If the **[REDACTED]** is determined at **[REDACTED]** per Share, being the **[REDACTED]** of the indicative **[REDACTED]** range, after deducting **[REDACTED]**, fees and estimated expenses payable by us in connection with the **[REDACTED]**, we will receive **[REDACTED]** of approximately **[REDACTED]**.

To the extent that the **[REDACTED]** of the **[REDACTED]** are not sufficient to fund our development plan, we intend to fund the shortfall through a variety of means, including proceeds from banking facilities and cash generated from operation.

To the extent that the **[REDACTED]** of the **[REDACTED]** are not immediately used for the above purposes, we will only deposit those **[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). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

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